

# Are we at the end of social housing?

Life



## 1. Introduction

The essay will try to answer for one question: Are we at “ The End of Social Housing”. To understand good this problem the meaning of social housing should be presented, short history of this occurrence. As it is presented in next chapter the beginning of social housing grew out of human’s help. At the beginning it didn’t bring any material profit. People did it to help other poorer people. Social housing whole time is integrated with politics, government and local leaders decisions. The most successful actions are taken when are consulted with people which need this help and people from their local neighborhood. Even the poorest people need place when they can spend their life in good, silent and suitable conditions. During the years it has changed, first social houses built and management by government than enter to the market more and more private landlords. At the end of this essay author will try to answer on this difficult question.

## 2. Social housing

To start answer for this question it should be presented definition of social housing and short history associated with this terminology.

### **2. 1. Social housing definition**

“ Social housing is housing that is let at low rents and on a secure basis to people in housing need. It is generally provided by councils and not-for-profit organisations such as housing associations” (Shelter 2009).

## **2. 2. History of social housing**

The beginning of social housing was in 19th century in London. In the 1888 was created London County Council and in 1890 legislation for other Local Authorities. The idea was to build houses and give help during building process for people in need. Before this time there were just some acts when individual people helped another people to find or build houses. In the 1900 was opened first social housing estate called: Boundary Estate in Bethnal Green. Houses were small but people had much higher standard than in old houses in this place. One of the problem in this social housing estate was that death rate was very high. By the 1914 it was built by Local Authorities just 24 000 social homes. People living in poor households in uncomfortable conditions, people with health problems, families with many members received little financial support from local sources. During the First World War city's population increased rapidly. It was the effect of demand for workers in munitions factories. Landlords increased rents because demand for housing was high. As the result people went on streets and protested for wage increase. In the 1919 Housing and Town Planning Act passed by the Liberal Government confirmed rent controls. It was the time for Local Authority housing to build houses for rent. To the 1929 government, in his program "Homes for Heroes" build 250 000 homes. In the 1923 Conservative Government sought to introduce legislation which were going to involvement of the private sector with subsidies to build to rent. Change of government in the 1924 has not led to these changes. Rent control has been suspended so the private sector recorded high growth in housing building. Before the Second World War there were build about 600 000 social homes. The devastation of the Second World War many cities were built

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anew. New roads were determined, the redevelopment of many town centers was planned. Easy reach from residential place to place where people were working was very important. Planning the building social houses process was one of the major topic of political quarrel. In the 1962 Minister for Housing and Local Government Keith Joseph set the target of 400 000 houses a year, as it was turned out it was impossible. During the building process, many times, attached more attention to quantity than quality. Between 1955 and 1970 there were build new Local Authority flats for indigent people. In the 1965 Labour Government introduced Rent Act containing stricter rent control. Between 1945 and 1965 year, 2. 9 million social housing houses had been build. In the 1980 the total number of social housing units was round 5. 5 million units it was 32% of housing stock. About one third (1. 8 million) of all social houses were sold up to year 2008, what made sold houses as part of the regular housing stock. The number of new social homes decreased from 100, 000 houses/year in 1970s to 30, 000 houses/year in 1990s. In years 2006-2007 the number of new homes was 44, 000 houses/year. Social home building has been almost exclusively carried out by housing associations (Greenhalgh & Moss 2009: 17-24).

### **2. 3. Existing system**

Nowadays government is looking for savings in many sectors as f. eg. social housing. In many newspaper's articles people can find information about cuts in social housing budget in England. Those cuts can be at the level of 50%. There are many voices that it can mean the beginning of end of building new social houses. The government transferred in 2009-2010 ? 3. 3 bn on new 30, 877 low cost rented properties and 22, 079 new cheap homes

to buy through the Homes and Communities Agency quango (BBC News 2010). The government meets also problems when some families with many members live in small houses and in next house there are family with bigger house and empty room. It is one of challenge for government to maximum use of rooms and houses. Author of this article give us the number of eight million tenants in social housing in England (BBC News 2010). In another article author presents prime minister's opinion. David Cameron note that it is a problem for how long people need council home (Wintour 2010). How long time people need to earn enough money to move to private sector There are many other questions like if people will know their family budget will increase and they will be moved to private sector they will work Those questions aim at shorter waiting list for council homes. Prime Minister David Cameron suggested that tenants in England should get just fixed-term contracts it can control their financial. After the expiry of the contract it can be reassigned or the tenant should go to private sector (Wintour 2010). Housing charities said that it can be big problem when poor people will not work, because of financial circumstances will be better (Macmillan 2010). In the same article Sarah Webb, CIH Chief Executive presented own opinion that people should have chance to chose how long contract term will last. Shorter period contracts can be more adequate for people with temporary problems, longer terms can be suitable for older people and people with health problems.

## **2. 4. The Localism Bill as a new era of people power**

The Bill was presented to Parliament on 13th December 2010 than on 17th January 2011 the House of Commons debated the most important principles

of the Bill. The Commons determined that the Bill should be given its Second Reading and sent to a Public Bill Committee for scrutiny. The Localism Bill Committee took written evidence and heard oral evidence, before considering the Bill clause by clause. As the result the Committee's consideration of the Bill finished on 10th March (Parliament 2011).

There are presented means by which Government will increase the weight of local democracy (Communities and Local Government 13 December 2010):

- Devolving significant new powers to councils. New tasks for town halls, freedom and flexibility in government, based on striving to satisfy local people's needs. Councilors will representative the local residents. Strong local leader will be elected for a term to govern.
- Establishing powerful new rights for local people and communities. Local people and communities will have bigger power and they will have more to say over area where they are living. Local people and communities will discuss local problems like new buildings, if it is needed to build shops in area, cultural places (likeswimmingpools, libraries, medical centers, discos etc.) They will also have the right to veto excessive council tax rises through referendum.
- Radically reforming planning. Infrastructure Planning Commission will be replace by local government and public opinion. New estates can't be build without consent of local residents.
- Making housing fairer and more democratic. The Bill will put councils in charge of allocation and tenure of social housing. This will allow to maximum

use all social houses for the needs of local people. This institution will also take care of homeless people.

- Creating powerful incentives for economic growth. This part gives opportunity to develop local economy. Local government will have bigger share in financing local projects. Local businesses will be able to count on lower taxes.

There are many politicians' opinions about New Localism Bill. Decentralisation Minister Greg thinks that the Bill will give new rights allowing local people to create places where they live. He thinks that they know the best what people in their areas need and they will meet the expectations of people and their neighborhood (Communities and Local Government 13 December 2010).

Housing Minister Grant Shapps talk about new chance for social housing market. It is time to change whole system, build it from scratch. Government should use vision and ambitions local authorities. Grant Shapps notes that council will now be able to manage social housing in a way that provide local people calm and save live, in spite of poor household budget, as long as they need it (Communities and Local Government 13 December 2010). Third opinion is delivered by Communities Minister Andrew Stunell, one of the most important feature is that in the New Localism Bill the power will be put in the hands of real people, empowering local communities and placement heart of decision making it their hands. Each decision will go out of their initiative, depending on the needs of society (Communities and Local Government 13 December 2010). In all featured opinions decentralisation is presented as a major step to improve the quality of human life.

## **2. 5. The Localism Bill and social housing**

The Bill will give more power and control to local council. Local council can make more decisions during housing and planning processes. It will be easier to help people to social house. Local government knows better needs of residents. Local authorities will determine who can apply for social house. Any complains about landlords will be dealt also by local authorities. New Localism Bill will also provide for a new form of flexible tenure for social housing tenants (Parliament 2011).

Minister for Housing and Local Government Grand Shapps presented details of new Localism Bill in his article “ Localisms Bill and social housing” (Communities and Local Government 9 December 2010). Government is going to increase number of Affordable Rent houses. This model will be offered by Private Registered Providers of Social Housing. The Bill will include many reforms that will devolve greater power and freedoms in decisions making to local councils and neighborhoods. It will also cover planning system and all decisions connected with housing. Affordable Rent will give social landlords more rights in social housing market, this will help to meet the needs of number social houses. In the 2011 it will be shown by The Homes and Communities Agency the document with offers addressed to private landlords which will offer Affordable Rent. The main task for Affordable Rent is to enter new houses on social housing market and the best potential of use public subsidy and houses which exist on the social housing market. Second task is to introduction of a diversified supply, make an alternative to traditional offer. Affordable Rent is located within the definition of social housing in section 68 of the housing and Regeneration Act



2008. Local council will participate in local social housing market. Sale of public houses will be carried out for their knowledge and consents. Housing associations will be able to let an Affordable Rent goods at up to 80% at market rent in the same area and building size. It is determined by the special method of valuation. The Government gave some suggested about greater flexibility to the local authority and housing associations landlords about the types of tenure they can offer to social housing. It is the beginning of new ideas in social housing area, Housing associations can offer their houses (Affordable Rent) for specified time but also for whole life time. Government is still working to make Affordable Rent as easy and friendly for people as it is possible (Communities and Local Government 9 December 2010).

### 3. Conclusion

The shape of social housing depends on situation in country. From the beginning of first social houses to this time it has changed many times. In student's opinion it is hard to answer for question: " Are we at the end of Social Housing?" yes or not, but he will try. Needed people can rely on government in difficult situations. But government must classify who can get place in social houses. The country's budget creates also quality of help, number of new building social houses and shape of future politics in this aspect. Nowadays government is looking for savings in many areas, unfortunately also in the social housing. Social help from government depends on prosperity of the country's financial, richest countries have got well developed social assistance. That is why on this marked in Britain came many private landlords with their offers. In student's opinion it is not the end

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of social housing in Britain. It has just changed the kind of help due to recession. During whole history of the social housing there were many changes. The social housing had change from small people's philanthropy to very wide state venture. The budget of this venture was also different in each time. In difficult time for country like war social housing system was working, people were living in social houses, they had assistance from government in the form of house. Of course it is understandable that it is not enough number of the social houses. That is why government is going to control families financial situation, when it is better the place should be vacate for next family (Wintour 2010). One idea hasn't changed during this social housing history, that it is made to make world better and help people, it doesn't meter who is the house owner but how people in this house feel. Author hope that it will be continue and it will not change in the future time.

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