'Every Tenant Matters'?
Rhetoric and Reality in the Modernisation of Social Housing in England

Paper presented at the ENHR Conference

Changing housing markets: integration and segmentation

Prague, 28 June-1 July 2009

This is a work in progress and is not for quotation

Peter Malpass and Ceri Victory
School of the Built and Natural Environment
University of the West of England
Bristol

Peter.malpass@uwe.ac.uk
Ceri.victory@uwe.ac.uk

'Every Tenant Matters'? Rhetoric and Reality in the Modernisation of Social Housing in England

Rethinking Social Housing

During the 20th century a majority of countries in Europe developed some form of social housing, with the post Second World War period often being seen as a kind of 'golden age' for this sort of provision (Harloe, 1995). In more recent years, however, social housing has generally gone into decline across the EU (Priemus and Dieleman, 2002), not least in the UK, which previously had a relatively large social rented sector, and where the headline indicators of change refer to total supply falling from 6.5 million dwellings in 1980 to just under 5 million today, and the transfer of over 1 million dwellings from local authority to housing association ownership. Inevitably, therefore, much academic debate has revolved around how to measure and interpret aspects of decline. However, there is acknowledged to be a continuing need for social housing in the UK (Hills, 2007) and for increased rates of new building (Barker, 2003, 2004, CLG, 2007a). Accordingly, this paper is an attempt to stand outside discourses of decline and to address the challenge of how to think about social housing in the 21st century.

The devolution of housing policy to the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly means that since 1998 it has become more difficult to generalise about the UK, and therefore this paper concentrates on events in England, which still accounts for almost 80 per cent of remaining social housing. In 2008 the Westminster government introduced legislation to effect a major restructuring of the national and regional level governance of social housing in England. Prominent in debate in the run-up to that legislation was a report commissioned by central government and entitled *Every Tenant Matters* (Cave, 2007). Tenants were, however, only one group of stakeholders in the policy making process and their voice was not necessarily the most influential in shaping the outcomes. The first main part of the paper describes and interprets the 2008 changes while the second part goes on to set them in a longer historical perspective and broader context, developing the notion of the modernisation of social housing.

A New Era for Social Housing?

The restructuring of national and regional level governance of social housing in England effected through the Housing and Regeneration Act 2008 was the outcome of some five years of enquiry and deliberation. The question of how much we need to build was addressed by Kate Barker (2003, 2004), John Hills (2007) was asked to look at the role that social housing should play in the 21st century, the government carried out an internal review of housing and regeneration in 2006 and as part of this review asked Martin Cave (2007) to make recommendations for how social housing should be regulated.[i] The Housing and Regeneration Act, 2008, subsequently put in place a new organisational structure for the governance of social housing and created the potential to bring about a major shift in the culture of social housing provision and consumption in England (arrangements in the rest of the UK are unaffected by the legislation). It is worth noting that the context within which these changes were conceived was one of economic growth, with a booming housing market, and a government committed to privatisation and the modernisation of public services

through closer involvement with private sector organisations and methods. The implementation phase, on the other hand, has taken place during the current banking crisis and severe economic downturn.

The reforms set out in the Act were realised in late 2008 when both the Housing Corporation, which combined regulation of and investment in social housing developed largely by housing associations, and English Partnerships, the national regeneration agency, ceased operations. Simultaneously, two new organisations came into being in their place. These were the Homes and Communities Agency (HCA), a new housing and regeneration super-quango initially dubbed Communities England, and the Tenant Services Authority (TSA), the new social housing regulator. These changes had, arguably, been a long time in the making. Murie (2008) traces the slow end of the Housing Corporation, remarking that its demise was expected by successive Chief Executives from 2001 and that 'the presumption that things would change was increased as the new priority given by the government to housing and to expanding the supply of housing, following the Barker review, included expansion of social housing' (Murie, 2008: 262). The old system had not been by any means static, but the changes launched in 2008 represent the biggest shake up for more than 30 years. It seems that within government circles it had been decided that it was time for a step change that would require a radically re-engineered institutional architecture in order to achieve cultural change.

Responding to a 21st century crisis of affordability

By the early 2000s sustained increases in house prices, although welcomed as an indicator of economic growth, were causing concerns about affordability to rise up the political agenda. In 2003 the Treasury commissioned Kate Barker to lead a review of housing supply (Barker 2003, 2004) which concluded that the solution to house price volatility – and inflation – was to boost rates of supply. Correspondingly Barker's recommendations included an increase in investment in social housing in order to boost social housing supply. The point was made that this money need not all be found from the public purse, but might be sourced from untapped capacity within the housing association sector or accrue from subsidy-free development models (Barker 2004: 8). The review therefore provided a clear steer to government that whilst already increased levels of investment in affordable housing should be sustained it was also desirable to maximise the input of private capital in the provision of social housing. In response the government's 2007 housing green paper (CLG, 2007a) established targets, subsequently confirmed in the 2007 comprehensive spending review (CSR), for increasing the supply of new social rented homes by 50% over 3 years (CLG, 2007a: 72). These ambitious targets, now jeopardised by recession, were intended to show that the government was serious about increasing the supply of social housing, but it was made clear to grant recipients that the increase would be at least partially funded through private capital including reserves and new borrowing (Housing Corporation 2007b).

Barker's emphasis on increasing housing supply, including affordable housing supply, drew attention to delivery, as well as funding, mechanisms. Her reports focused mainly on the mechanism of the planning system, but the new emphasis may also have influenced the government's decision, announced in 2006, to review housing and regeneration delivery mechanisms. In order to be in a position to announce the

ambitious housing targets contained in the CSR 2007 the government needed to be confident that delivery mechanisms were up to the task, or to 'modernis[e]… the housing and regeneration delivery chain' (CLG, 2007b: 12). Critically, if the government were to achieve the level of investment suggested by Barker, the system would need to be sufficiently attractive to the private sector – both lenders and developers – in order to lever in private capital.

The future role of social housing

Having begun to rethink their approach to managing housing supply, including the supply of social housing, the government turned their attention to the role social housing should play within the housing system. Correspondingly John Hills was commissioned in 2006 by Ruth Kelly, Secretary of State for the newly created Department for Communities and Local Government (which later dropped the 'department' from its title), to undertake a review of the contemporary and future role of social housing. Hills produced a detailed review which included an outline of possibilities for reform. These included using social housing to better support people's livelihoods, or 'help people make the transition to work' (Hills 2007: 185), facilitating income mix within existing communities and making 'a more varied 'offer' to prospective tenants than the standard secure tenancy' (ibid: 193). These possibilities have been branded 'inward-looking' by Murie et al (2007: 5), confined to the detail of how a social housing system should function at the front end, and omitting consideration of the framework within which this system is delivered;

> 'there is a preoccupation with individual households' decisions rather than with the way in which key organisations affect the operation of the social rented sector – from the regulators to housing associations and local authorities and those who own the land on which social housing is built' (Murie et al 2007: 4).

Given that Cave's review of social housing regulation was commissioned in December 2006, whilst Hills was still deliberating, it is perhaps unsurprising that Hills's remit was confined to the social housing product itself, rather than the framework within which it is delivered. His suggestions have, it seems, not yet been actively pursued, although there have been continued references to further consultation on his proposals. The report was written in the context of a renewed policy interest in housing which was already focused on boosting supply as a solution to widespread problems of affordability, rather than radically reshaping the provision of social housing. Hills confirmed this by in essence concluding 'that there was no need to go right back to the drawing board and re-write the goals behind social housing' (Murie et al 2007: 6); that 'the principles behind social housing remain sound' (Ruth Kelly's foreword in Cave 2007: 5). Thus Hill's report might, despite acknowledging potential for reform, be seen to have legitimised a policy focus on redesign of the institutional framework for delivery rather than of the product itself.

Proposals for reform

In June 2007 the government issued a consultation document setting out proposals to fundamentally reform the institutional framework within which housing and regeneration were delivered. As previously announced the investment functions of the

Housing Corporation were to be combined with all functions of English Partnerships in a new agency to be called Communities England. Echoing a range of public sector reforms over the last 20 years the government also sought to achieve clear separation between strategy and delivery, with the aim of 'sharpen[ing] Communities and Local Government's focus on strategic policy' (CLG, 2007b: 14). As such, scrutiny of various of CLG's delivery functions had been included in the widened remit of the housing and regeneration review from July 2006, and the consultation paper published in June 2007 (CLG 2007b) proposed transferring a number of these functions to the new agency. The consultation document also proposed reforms to the regulation of social housing based upon the recommendations of Martin Cave's review, which recommended that a new, independent social housing regulator should be created. This marked a decisive break with the co-location of funding and regulation which had characterised the Housing Corporation and which had been repeatedly defended (DoE, 1995, Housing Corporation, 1998).

The creation of Communities England was not, however, presented by government as a response to the problems posed by co-location. Instead, reference was made to facilitating the emerging place-shaping agenda through the creation of a single housing and regeneration agency which would be well placed to work with private and public sector partners, and particularly with local authorities. The intention to 'streamline the delivery of housing and regeneration' was also stressed (CLG, 2007b: 7). As well as the corresponding potential, however, to deliver a 'one stop shop' model of delivery, and to achieve 'more effective marshalling of scarce skills', the creation of a new, single, housing and regeneration agency was promoted as offering more effective forms of investment, increased private sector leverage, economies of scale and increased negotiating power (CLG, 2007b: 13). In terms of the specific role of the new agency, the consultation document proposes a 'toolbox of interventions' which could be used by the agency to achieve its objectives of driving affordable housing supply, regenerating mono-tenure housing estates, facilitating mixed use urban regeneration, improving the existing housing stock, 'reclaiming and developing brownfield land', 'strengthening existing communities' and 'supporting strategic growth' through aiding delivery of large-scale sites (CLG 2007b: 25-26). The toolbox was stated to contain a range of support and investment measures including 'support for low cost homeownership', 'support for the creation of local asset backed vehicles', 'supporting local authorities in unlocking developer contributions', 'the provision of advice and guidance', 'releasing RSL capacity', 'maximising partnership with local authorities', 'the potential of local area agreements', 'facilitating delivery of infrastructure', 'identifying and brokering surplus public sector land' and 'supporting community lead [sic] initiatives' (CLG 2007b: 26-28].

Once the decision to transfer a functional half of the Housing Corporation into a new (and potentially powerful) housing and regeneration agency had been made, a review of regulation – of the role of the remaining half of the Housing Corporation – was implied (CLG, 2007b: 35; Cave in Chevin 2008). This was not necessarily, however, the sole driver of the review which was undertaken. The imperative to modernise regulation to reflect changes in the social housing sector such as the introduction of access to social housing grant for 'non registered bodies, such as for-profit developers' was also acknowledged (CLG, 2007b: 34). This change, introduced through the Housing Act 2004 in order to boost private investment in social housing, meant that private sector organisations could, for the first time, not only access grant

to develop social housing but, if they chose, retain that housing, managing it themselves or contracting the management out to others. Accordingly the question arose of how the standards to which Registered Social Landlords were bound, through regulation, to adhere in the management of social housing could be applied to the private sector.

To address this issue a contract and accreditation framework for non-registered bodies who wished to retain and manage social housing was introduced. In the event this did not prove a popular option. Take-up of social housing grant by the private sector was low, and Cave himself proposed that the lack of private sector interest in retaining and managing stock developed with grant 'may be due to the complexity of the contract for ownership and management, which replicates many of the provisions of the current complex regulatory regime' (Cave 2007: 12). Protracted negotiations between the Housing Corporation and the private sector over contracts were evidence of the extent to which the private sector was uncomfortable engaging with a structure it perceived to be overly complex and bureaucratic (Cave 2007: 63). It was clear that if the government's ambition to develop the role of the private sector in delivering affordable housing was to be realised, new structures might be required which encouraged the private sector to engage and deliver but which also enabled control to be exercised over the social housing produced and potentially managed by the sector. Referring to the intention to 'expand the availability of choice of provider at all levels in the provision of social housing' as a principal objective for the future regulation of social housing, Cave (2007: 13) is writing euphemistically about competition. Elsewhere, he states explicitly that 'the government is keen to increase the role of private developers in providing affordable housing to bring innovation and competition for grant with traditional providers' (2007: 42) and, in case there was any doubt, that 'it is likely that substantial private capital could be attracted to the provision of further affordable rented homes if the barriers to entry were reduced' (2007: 101).

As well as seeking to 'expand the availability of choice of provider', Cave proposed that the new, independent regulator should have two further key objectives: 'to ensure continued provision of high quality social housing' and 'to empower and protect tenants' (Cave 2007: 46). He also stressed two principles which he felt should underpin the design of the new regulatory system: 'to achieve the above objectives with a minimum degree of intervention' and 'to apply common principles, where practicable, across the whole social housing domain' (ibid: 47), explained rather more simply in the Executive Summary as meaning 'across all providers of social housing' (Cave 2007: 14). The first of these is now, as Cave acknowledges, an accepted principle of 'better regulation'[ii], but Cave suggests that the second arises 'from the focus on tenants, who are more interested in the service than in the nature or status of the provider' (Cave 2007: 14). There is in the record of the focus groups conducted with tenants in the course of the review, reference to a preference for 'a common framework and regulator for all housing organisations – including the private sector' (CLG 2007c: 6). It may be worth noting, however, that a total of only 37 tenants took part in the focus groups, which were held in March 2007. Whilst this does not invalidate the findings, particularly as Cave also took evidence from organisations representing tenants such as the National Consumer Council and considered the results of consultation with tenants carried out by, for example, the Tenant

Involvement Commission, the extent of his emphasis on the findings to justify the central principles of his review is perhaps surprising.

As indicated by the title of his report – *'Every Tenant Matters'* - this reference to focusing on tenants is not an exception but an instance of a theme which underpins Cave's review. This emphasis was implied in the terms of reference within which Cave undertook the review and which required him to 'ensure a clear system of accountability and responsiveness to tenants' (Cave 2007: 29). Within the review itself Cave justified the focus on tenants in terms of criticisms of the existing regulatory regime which, according to 'organisations representing housing tenants… focuses on the providers of social housing and has taken insufficient account of the interests of tenants and communities' (ibid: 39). He also refers explicitly to the 'disempowerment of tenants' and considers the differences between a regulatory system which might empower and one which might aim primarily to 'protect' tenants (ibid: 43-44). He concludes that, in line with modern regulatory principles and based on the evidence amassed as part of the review, the regulatory arrangements for social housing 'need to be much more focused on the needs of tenants' (ibid: 45), by which he seems to mean expanding both the power and the choice available to tenants through the regulatory system. Thus Cave envisages a system where tenants have significant input with regards the new core standards for social housing, make their own assessments of the quality of services provided, and have a collective outlet through a new national tenant voice. The system itself is to be both domain wide and 'co-regulatory' (ibid: 71) – that is, it is to be applied across all (social housing) sectors and it is to employ an approach to regulation whereby self regulation is supported by proportionate scrutiny and intervention from the regulator.

The Housing and Regeneration Act 2008

Following consultation the government published a Bill which did not simply and straightforwardly implement the proposals set out in the June 2007 consultation paper. For instance, whilst Cave recommended a 'single regulator and single system of regulation for all social housing providers' (CLG, 2007b: 35), the Housing and Regeneration Act 2008 exempted local authorities, at least in the short term, from the new regulatory regime. On the whole, however, the Housing and Regeneration Act 2008 implemented Cave's recommendations (Cave in Chevin, 2008) as well as creating the Homes and Communities Agency in more or less the way envisaged in the 2007 consultation document (albeit with a different name[iii]). The Act was debated over the course of eight months and finally enacted in July 2008. In it, provision is made for the Housing Corporation and English Partnerships to be abolished and the Homes and Communities Agency (HCA) is established as a body corporate sponsored by Communities and Local Government and with wide-ranging powers relating to land, property and infrastructure. It is important to appreciate that the HCA is not just a new organisation administering the familiar social housing grant system. That system has been replaced by powers that enable the HCA much more flexibility in pursuit of its objectives, enabling it to provide financial assistance in any form it chooses, for any purpose to anyone. Its objectives are also broadly defined, embracing the improvement of the supply and quality of housing, and the regeneration or development of land in England. Whilst in its first corporate plan the HCA acknowledges that much of its early focus will inevitably be on delivering inherited programmes and schemes, it is clearly ambitious, stating its ambition to 'develop

innovations in the way we invest which make use of the new powers and unified decision making of the Agency, looking beyond the constraints of existing programmes' (HCA 2008: 30) and seeking to establish a framework which will 'allow the HCA to punch at its weight from the beginning' (ibid: b).

The Act also created the Tenant Services Authority (TSA), despite the campaign by the Audit Commission to take on the role of regulator. It has been claimed that opposition from lenders was influential in determining the outcome of this struggle (*Inside Housing* 13 Sep 07, 19 Oct 07 etc.), possibly themselves influenced by housing associations resistant to any bolstering of the Audit Commission's role. In the event, the role of inspection has been retained by the Audit Commission. The Tenant Services Authority, like the Homes and Communities Agency, commenced operations in December 2008, but in the short-term continued to regulate using the Regulatory Code established by the Housing Corporation (TSA 2009). This was in large part due to the requirement to develop from scratch the new service standards with which the new regulatory system was designed to be underpinned. The TSA consequently established an extended consultation period, dubbed 'the national conversation', during which the new service standards were developed whilst regulation continued within the pre-existing framework. In retrospect it may have been to the housing sector's advantage that the pace of change was restricted in this way. The creation of the HCA and TSA coincided with a period of economic turmoil in the shape of a global credit crunch followed by a recession in the U.K. and elsewhere, presenting significant financial challenges for housing associations and other businesses involved in housing development and management. As such, it is probably just as well that social housing providers were not simultaneously forced to engage with a new regulatory system, and that the regulators themselves were working within a regime, and with tools, powers and responsibilities, with which they were familiar.

Although we have suggested that the structural changes outlined above may be momentous, their long-term significance remains to be seen. The official line has been that the HCA is an entirely new creation, not a merger, emphasising the change of culture and approach. How far this can be guaranteed is hard to say at this point, given that the HCA is staffed largely by people previously employed in those organisations that were not 'merged'. The same argument can be applied with even more force to the TSA, which may exist for some time at least as the continuing half of the former Housing Corporation. According to Cave, the most significant change should be the extent of the emphasis on tenants, but it is noticeable that the review of regulation itself was not driven by tenant demand, and only two meetings with a total of 37 tenants were held in the course of the review (Cave 2007); nor did tenants demand the increasing attempts to involve the private sector in social housing provision which arguably underpin the design of the new institutional architecture. In this context, Cave's assertion that his recommendations overcome 'the most common criticism of the [previous] regime for regulating social housing…, …that regulation focuses on the providers of social housing and has taken insufficient account of the interests of tenants and communities' (2007: 39), is less than convincing. In contrast, there are already signs that the HCA may deliver genuine cultural change, in particular through the move away from the restrictions of a grant system towards a system of financial assistance which offers simultaneously welcome flexibility and the risk that monies will not be ring-fenced for social housing and may be spent elsewhere.

The Modernisation of Social Housing

The previous section raised two questions about the reforms contained in the 2008 Act: do they constitute the start of a new era for social housing in England, and how can we explain government's determination to press ahead with its gathering embrace of the private for-profit sector in the face of indifference (at best) among both suppliers and consumers? An answer to the first of these questions should shed light on the second.

In one sense the 2008 Act does mark the start of a new era: the reconstruction of the institutional architecture, involving the demise of the Housing Corporation after more than thirty years as the main funder and regulator of the sector, is clearly a milestone of some significance. Reshaping the regulatory framework to encourage greater participation by for-profit competitors to existing not-for-profit housing associations is a definite break with the past. Embracing local authority housing within the scope of the new regulator is also a significant change. However, although the two new bodies replacing the Corporation are designed for the 21st century policy environment, and, as we have argued above, they have the *potential* to bring about far reaching change, it is too early to assess their impact in terms of outcomes for both suppliers and consumers of social housing. The start of a new era is rarely apparent at the time, and the true historical significance of the 2008 Act will only emerge over the next ten or twenty years. If caution is necessary in assessing epoch making claims for the Act when looking forwards in time the argument is reinforced by looking backwards. In this section we seek to show that it is the latest in a long series of changes that add up to a process of modernising social housing.

In its most general sense modernisation is the process of making something modern and up to date. However, there are more specific applications and debates; thus historians refer to the emergence of modern society in Europe after about 1500 (Clark, 2009), while 'modernism' refers to a cultural movement that emerged in the decades before 1914, as artists of various kinds rebelled against the late 19th century academic and historicist traditions (Wilk, 2006). Then there is the debate about post-modernity and its derivates hyper- and super-modernity (Goodchild, 2008). These applications tie the notion down to particular historical periods, but it is important to retain the freedom to employ the word modernisation in its every-day sense to refer to processes of keeping up to date with current expectations and ways of doing things, without becoming embroiled in wider theoretical debates about modernity as such.

Our concern is limited to the problem of how to understand changes in social housing. We are not talking about the physical modernisation of houses, a point that enables us to say that by adopting modernisation we do not mean to imply improvement. Although when a house is modernised it may be assumed that the result is a better performing dwelling, when we refer to the modernisation of social housing we do so in a way that should not be interpreted as endorsing any claims made by governments that equate policy modernisation with improvement. Modernisation was adopted by New Labour to describe its approach to the reform of government, but we are not using the term to imply a conscious strategy of that kind. For us modernisation is a way of looking at what has happened, a way of retrospectively making some sense out of a series of policy developments over a relatively long period. But we do not imply

that anyone planned, plotted or foresaw the modernisation of social housing in the way that it has come about.

Housing systems (patterns of provision and consumption) reflect wider economic, social and political trends and traditions. For reasons specific to the 19th century Britain developed a housing system based on private renting. During the 20th century this was gradually replaced by a new predominance of individual home ownership, a process referred to by Malpass and Murie (1987, 1999, see also Malpass, 1990) as the modernisation of the housing market. At the same time there was a substantial growth in social housing, which was overwhelmingly developed and owned by local authorities, reflecting mid-20th century ideas about how state funded public services should be provided. This is clearly shown in Figure 1: throughout the 20th century growth phase of social housing, which ran until 1980, the local authorities were the main contributors, with voluntary housing associations playing only a very minor and marginal role (Malpass, 2000).

Figure 1. The Social Housing Stock in England and Wales, 1914-2006
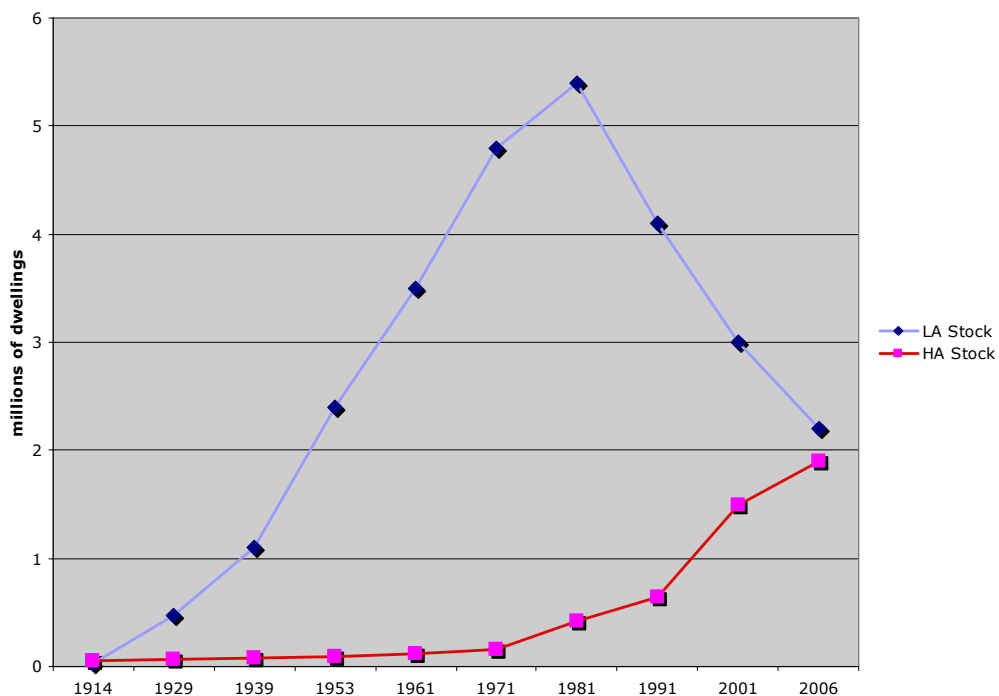
But Figure 1 also shows that there has been a major restructuring of the shares of social housing owned by local authorities and housing associations. Housing association activity increased markedly in the 1970s and council housing began to fall in numerical terms in the 1980s. Only 20 years ago local authorities owned 90 per

cent of all social housing but by 2006 housing associations had acquired 47 per cent. This continuing restructuring is one key indicator of the way that social housing has been undergoing its own modernisation process, equivalent to, but different from, the earlier modernisation of the housing market. Assessments of the 2008 Act need to be seen in this context of a process that began in the 1970s.

The major growth of social housing occurred as part of post-Second World War reconstruction, in its widest sense. Throughout this period the form and style of council housing as a service reflected the dominant organisational model of service delivery in the post war welfare state, based on the large public sector bureaucracy, allocating largely undifferentiated services to the queuing public. In terms of its consumption (if not its production, which was generally carried out by private profit seeking firms contracted by local authorities (Malpass, 2003)) social housing in this period operated outside the market. The history of social housing since the 1970s needs to be seen as the construction of new model or 'structure of provision' (Harloe, 1995: 6, Ball, 1986), located within a different, modernised, welfare state, based on a freer and more open economy, a greater role for private markets, a reduced role for the state in key areas, heavier emphasis on individual choice and responsibility, and a more diverse pattern of service delivery organisations. Reflecting the ascendance of neo-liberal thinking since the crisis of Keynesiansm in the mid-1970s the changes affecting social housing have been part of a more general re-imagining and reconstruction of the post war welfare state, given added impetus during Margaret Thatcher's long period in office as prime minister between 1979 and 1990. The New Right approach prescribed a doctrinaire preference for privatisation and marketisation as the remedies for perceived problems within public services. Social housing was peculiarly vulnerable to this sort of attack. The trajectory of welfare reform established under Thatcher was carried on by New Labour after 1997, with further privatisation and marketisation across the board. The welfare state as a whole has been subject to reforms aimed at, 'opening up provision to competition and encouraging corporate (for profit) and voluntary (not-for-profit) providers' (Clarke, et al, 2000: 3). The same authors also talk about changes since 1979 in terms of 'new system designs, new funding and financial arrangements, new relationships between centre and periphery and new relations between state and citizen' (Clarke et al, 2000, 1). This general statement could have been written specifically about social housing.

As Mullins and Murie (2006: 4) have suggested, the modernisation of housing systems is not necessarily evenly paced, and in the post-Second World War history of housing in Britain, the 1970s represent a major turning point and the true start of the new era for social housing (Malpass and Rowlands, 2009). By 1980 social housing accounted for nearly a third of the total stock of homes in Britain, three times its share in 1945, but growth had begun to slow in the 1970s, initially in proportionate terms (Ginsburg, 1979: 113), and then after 1980 its decline became numerical as well. It was also in the 1970s that the model of large scale municipal housing provision began to be challenged with increasing vigour. Critics including Power (1987) and Cole and Furbey (1994) have argued that in various ways the approach to the management of council housing helped to undermine its appeal and fuelled demand for the right to buy. At the same time housing associations, bolstered by a potent combination of local voluntary initiative and government policy, at last began to emerge as a viable alternative to municipal action. Attempts to understand change processes in British social housing since the 1970s have employed a variety of terms, including

residualisation (Forrest and Murie, 1983, 1988, Malpass, 1990), privatisation (Forrest and Murie, 1983, 1988, Ginsburg, 2005), transformation (Hickman and Robinson, 2006) and restructuring (Pawson, 2006). Each of these approaches has yielded valuable insights within a sometimes limited frame of reference. They are all variants on what might be called a discourse of decline, which has dominated discussion of social housing for a generation.

However, in the present decade, there are grounds for believing that the years of decline might be over: it has been claimed that even if there are no signs of residualisation being reversed there is little scope left for its further intensification (Murie, 2006: 29). Since 2000 governments have rediscovered housing policy (Murie, 2009), and as we have seen already the Barker review (2003) called for increased production of social housing and the Hills report (2007) endorsed social housing as a sector with a continuing role to play in the 21st century. In this context the term modernisation provides a new perspective on both the past and the present, post-decline period.

Following Mullins and Murie (2006:3), the modernisation of social housing can be defined as measures designed to bring or keep the sector in line with changes in wider social, economic and political ideas, structures and processes. This means looking at aspects of its role in the wider housing system and aspects of its provision and consumption. On the question of the role of social housing we propose to say very little here because our interest in the antecedents of the 2008 Act implies a focus on other aspects, and also because there is already a substantial literature tracing the changing role of social housing from a relatively broad social base to an increasingly narrow section of the population, principally the less well off (Forrest and Murie, 1988, Malpass, 1990, Harloe, 1995, Fitzpatrick and Pawson, 2007, Hills, 2007). In terms of provision, modernisation embraces developments in relation to ownership, governance, development and finance. And on the consumption side it refers the terms and conditions offered to tenants, including individual and collective rights to be consulted and to make meaningful choices about their housing.

The process of modernising social housing differs from the equivalent in the private sector in a number of ways. First, it has been policy driven rather than market driven, and second, it has meant different things at different times. For example, the drift away from the town hall that began as a search for a wholly publicly funded alternative to an ever-growing municipal sector only later turned into a conscious shift towards the market. This reflects the incremental and opportunistic nature of policy development. There have been four main themes in the modernisation process, first, the trend towards a smaller and more residual role, second, the progressive replacement of the model of governance based on representative democracy by a more managerialist approach, third, the development of opportunities for private sector companies to profit directly from aspects of the provision of social housing, and fourth an emphasis, real or rhetorical, on moving social housing from an allegedly provider-oriented service to a more a more consumer-oriented one, most recently exemplified in the Cave report of 2007. The overall effect of a series of changes since the mid 1970s amounts to what appears to be a gradual, but potentially accelerating, migration of social housing towards the private market.

On the supply side there are at least seven indicators of modernisation preceding the measures in the 2008 Act. They can be listed chronologically, and given the fact that the Housing Corporation was abolished as a modernising move, it is appropriate to start by suggesting that the extension of the Corporation's remit in 1974 marked the beginning of the modernisation process. Armed with the newly introduced Housing Association Grant (HAG) and extensive regulatory powers the Corporation was able to give a significant boost to the non-municipal sector, allowing housing associations not only to increase their share of the social sector as a whole but also to grow in both financial and organisational strength.

Second, in 1987 the government introduced the idea that local housing authorities should become enablers rather than providers: 'The future role of local authorities will essentially be a strategic one identifying housing needs and demands, encouraging innovative methods of provision by other bodies to meet such needs, maximising the use of private finance, and encouraging the new interest in the revival of the private rented sector' (DoE, 1987: 14). The idea of enabling was enthusiastically endorsed by New Labour a decade later, with Tony Blair proclaiming that

> The days of the all-purpose local authority that planned and delivered everything are gone. They are finished. It is in partnership with others – public agencies, private companies, community groups and voluntary organisations – that local government's future lies (Blair, 1998: 13).

Third, in the mid-1980s the idea that housing associations could raise private loans initially met with scepticism by lending institutions and its subsequent adoption as the standard way of funding investment required significant legislative concessions to the lenders, including an end to the fair rent system (implying higher rents for tenants) (Malpass, 2000, chapter 10). Private finance secured against existing houses represented a move to a business-like approach to sweating existing under-worked assets. At the same time, in the early 1990s, associations were explicitly encouraged by their regulator to abandon their previous co-operative ethos and to compete with each other on price.

Fourth, the introduction of compulsory competitive tendering for local authority housing management in the early 1990s was about trying to attract private sector companies to compete for contracts to manage, and make profits from, municipal housing. The fact that the private sector displayed little interest in this business opportunity does not diminish its status as an indicator of the direction of travel of policy.

Fifth, the transfer of more than a million English council houses into the ownership of new and existing housing associations since 1988, widely understood in terms of financial drivers (Mullins and Pawson, 2009), highlights the managerialist turn and the rejection of representative local democracy. Although stock transfer developed as a way of circumventing government policy in the late 1980s it was soon taken over by central government and turned into a mainstream policy, to great effect. This piece of opportunism by Conservative governments was carried on with equal enthusiasm by New Labour.

Sixth, opening up social housing grant to private developers in 2004 represented a step change away from past traditions of confining access to state support to non-profit or limited profit organisations stretching back to the 1860s (apart from a spell in the 1920s). This was explicitly about increasing the range of providers and intensifying competitive pressures on housing associations, making the supply side of social housing more market oriented.

Seventh, in 2007 the government made it possible for local authority Arm's Length Management Organisations (ALMOs) and 'special venture vehicles' to apply for social housing grant. Although this has given rise to expectations that local authorities are being allowed to build houses once again it is important to appreciate the limitations of the proposal. A small number of authorities are able to compete with housing associations and private developers for funds from the centrally determined pot of resources now controlled by the Homes and Communities Agency. Rather than heralding a return to council house building, this merely highlights how far we have come from the sorts of locally determined house building programmes that characterised the postwar period. Now, in terms of their access to funds, local authorities are reduced to the status of housing associations, which in the past used to depend on these same local authorities for support (Malpass, 2000). This seems to be the clearest evidence of the transformation that we are calling modernisation.

It is possible to add to this list; reference could be made to new, more business-like accounting methods imposed on social housing organisations, and the requirement that local authorities develop 30 year business plans.

On the consumption side, there are three aspects to mention, resident involvement, choice and rents. Interest in what was then referred to as tenant participation began to grow in the early 1970s and a Council Tenants Charter was drawn up by activists in London in 1970, a decade before the idea was incorporated in the Housing Act, 1980 (Craddock, 1975:3-4). In the beginning participation was largely about council tenants organising to articulate demands in the face of unresponsive councillors and officials. But as time has passed and participation has morphed into resident involvement it has become a mainstream top-down policy, embedded in New Labour initiatives of the late 1990s such as Tenant Participation Compacts and Best Value (Goodlad, 2001, Hickman, 2006). It has become something on which central government and its agent the Housing Corporation (and now the Tenant Services Authority) required social landlords to develop strategies, on which they are judged. It has been claimed that the development of the national Tenants' Charter '…may be regarded as the beginning of the policy shift which moved away from treating local authority tenants as passive welfare recipients and towards regarding them as autonomous empowered responsible individuals' (Carr et al, 2001: 160). But it is also possible to interpret the rise of tenant participation as reflecting a policy shift from representative democracy to a more consumerist orientation, in which the individual rights and responsibilities of tenants are emphasised. The more that elected councillors were pushed into the background the more tenants came to the fore, increasingly as individuals rather than via the leadership of tenants' associations, organisations often dismissed as unrepresentative. Satisfaction surveys and other individualised methods of reaching tenants have been added to the mix as social housing providers have responded to the crescendo of policy demands and exhortations from the centre. All the evidence suggests, however, that the great majority of tenants remain serenely uninterested.

Choice has become a headline word in housing policy, featuring in the Conservative government's white paper of 1996 (DoE, 1996) and Labour's green paper of 2000, (DETR, 2000). Clearly it is closely connected with the notion of resident involvement, for giving tenants and applicants choices is a way of involving them in decisions about their housing. But choices can be collective or individual, and although there are areas (such as stock transfer) where collective decisions are required, the thrust of policy is to promote and develop individual choices, in a way that is consistent with relating to tenants and applicants as customers in a market. Another feature of the growth of policy interest in choice for social housing tenants is that there are clear incentives to make certain choices rather than others and the choices available tend to be one-way only. The first and most successful exercise in choice based housing policy in the modernising era was the right to buy, which gave people substantial price discounts as an inducement to buy their way out of council housing, but no right to return (unless they qualified under the homelessness legislation). The same one-way choice is offered to tenants in stock transfer ballots, and again there are inducements to vote for transfer, and penalties for not doing so. In each case the rule reflects the modernising assumption that a smaller municipal sector is to be preferred.

For those who wish to enter or move within social housing, choice based lettings (CBL) schemes have been spreading rapidly as a result of central government policies since 2000 (Brown and King, 2005, Marsh, 2004). Whereas traditionally social housing was allocated by officials (and, in the past, councillors), CBL is an approach that (to some extent) shifts the power to decide who gets what to the consumption side as applicants bid for properties offered for letting. As Marsh (2004: 189) says, 'CBL is clearly a market-like mechanism seeking to decentralise decision making, with consumers trading off access, quality and waiting time'.

The third consumption side area to be considered, rents, shows less movement towards the market. Since the early 1970s policies on rents and subsidies in social housing have tended to move in the direction of reduced general subsidy and more reliance on personal, income related assistance (Malpass, 1990). On several occasions there have been changes designed to raise rents in real terms, and in the early 1990s, after the decision to encourage the growth of private finance for housing association development, much of the impact of higher debt charges was borne by income related Housing Benefit. From 2000 the government adopted a policy known as rent restructuring, aiming to bring local authority and housing association rents closer together over a run of years. This policy included a formula for calculating target rents, which included an element reflecting property values locally, but although critics of local authority rent structures have often complained that variations in rents do not reflect differences in value (as is the case in the market), the policy remains that social sector rents should continue to be significantly below open market levels.

All these policy developments preceding the Housing and Regeneration Act, 2008, suggest that it should be seen as a further, potentially significant, step in an established process of modernising social housing. The Act builds on and develops a clear direction of travel, away from the public sector towards the private market.

Conclusion

The idea of the modernisation of social housing as a process spanning at least 30 years puts the 2008 Act into a historical context that goes some way to explain the nature of the changes now being implemented. Thus the 2008 Act can be understood as a product of a deeply embedded approach to public service reform. Nevertheless, at more than one level the Act presents a puzzle. The government pressed ahead with measures to engage the private sector as direct developers and managers of social housing, and to extend the involvement of tenants in the structures and processes of regulation, despite the rather contradictory nature of these proposals, and despite the equally obvious lack of demand from either side. As we have seen, there was a lot of historical evidence already available: the private sector had to be induced to lend to housing associations in the late 1980s and early 1990s, a different part of the private sector showed no virtually no interest in taking on the management of council housing under compulsory competitive tendering, and developers were reluctant to take up the offer of Social Housing Grant after 2004. Reform in this area has been driven by government, and in relation to resident involvement too the impetus has been top-down. Most obviously of all, there is absolutely no evidence of tenants pressing for the opening up of social housing to private profit seeking organisations. On the contrary, all the evidence points the other way, with plenty of rhetoric from the defenders of council housing that even not-for-profit housing associations are a step too far towards the private sector. So, we return to the question posed in our title, does every tenant matter? Our reading of the Cave report, especially given the wider context of change in social housing, is that it could just have well been entitled *Every Developer Matters*.

Although we have argued that there has been a gradual and potentially accelerating migration of social housing in England towards the private sector, there are grounds for thinking that the impact of the 2008 Act may not be so dramatic. The re-engineering of the institutional architecture to attract the private sector may not be enough to overcome business reluctance to engage with a part of the housing system suffering from more than a generation of decline and residualisation. Social housing is now more demanding to manage, and therefore more difficult to make profitable, than it would have been 30 or 40 years ago. Although private investment poured into the buy to let market in recent years that was a very different business proposition, with a lot of newly built property, freedom to choose tenants and easy access to vacant possession. Moreover, the sort of social housing system envisaged by John Hills (2007), in which management organisations are concerned about more than just a narrow range of landlord services, is unlikely to appeal to private businesses motivated by the pursuit of profit as a primary goal. Equally, it is hard to see private sector organisations being attracted to the sort of regulatory environment envisaged by the Cave Report (2007), with tenants being involved in inspections. It may be, therefore, that ideologically driven policy has run ahead of the market and that the impact of the great rethinking of social housing in the last few years may be less than the scale of re-engineering might imply. Thus the 2008 Act may be better seen as merely a step in an ongoing process, rather than the start of a new era.

References

Ball, M (1986) 'Housing Analysis: time for a theoretical refocus?' *Housing Studies*, vol.1, no. 3, pp147-65

Barker, K (2003) *Review of Housing Supply: securing our future needs. An interim report*, London: Treasury and ODPM

- (2004) *Review of Housing Supply: delivering stability: securing our housing needs, Final report*, London: HMSO

Blair, T (1998) *Leading the Way: a new vision for local government*, London: Institute for Public Policy Research

T Brown and P King, (2005) 'The power to choose: effective choice and housing policy' *European Journal of Housing Policy*, vol. 5, no. 1, pp59-75

Carr, H, Sefton-Green, D and Tissier, D, (2001) 'Two steps forward for tenants?' in Cowan and Marsh

Cave, M (2007) *Every Tenant Matters: a review of social housing regulation*, London: DCLG

- (2008) in Chevin, D. (ed.) (2008) *Moving Up A Gear: New Challenges for Housing Associations*. London: Smith Institute.

Chevin, D. (ed.) (2008) *Moving Up A Gear: New Challenges for Housing Associations*. London: Smith Institute

Clark, P (2009) *European Cities and Towns, 400-2000*, Oxford: Oxford University Press

Clarke, J, Gewirtz, S and McLaughlin, E (2000) *New Managerialism, New Welfare?* London: Sage

CLG (Communities and Local Government) (2007a) *Homes for the Future: More Affordable, More Sustainable*, Housing Green Paper

CLG (2007b) *Delivering Housing and Regeneration: Communities England and the future of social housing regulation*

Cole, I and Furbey, R (1994) *The Eclipse of Council Housing*, London: Routledge

Cowan, D and Marsh, A (eds) *Two Steps Forward: housing policy into the new millennium*, Bristol: Policy Press

Craddock, J (1975) *Tenants Participation in Housing Management; a study of four schemes*, London: Association of London Housing Estates

DETR (Department of the Environment, Transport and the Regions) (2000) *Quality and Choice: the Housing Green Paper*, London: Stationery Office

DoE (Department of the Environment) (1987) *Housing: the Government's Proposals*, London: HMSO, Cm 214

- (1995) *Housing Corporation: prior options study*, London: DoE
- (1996) *Our Future Homes: opportunity, choice, responsibility*, London; HMSO

Fitzpatrick, S and Pawson, H (2007) 'Welfare safety net or tenure of choice? The dilemma facing social housing policy in England' *Housing Studies*, vol. 22, no. 2, pp163-182

Forrest, R and Murie, A (1983) 'Residualisation and council housing: aspects of the changing social relations of housing tenure' *Journal of Social Policy*, vol. 12, no. 1, 453-68

-(1988) *Selling the Welfare State: the privatisation of public housing*, London: Routledge

Ginsburg, N. (1979) *Class, Capital and Social Policy*, Basingstoke: Macmillan

- (2005) The privatisation of council housing; *Critical Social Policy* Vol 25(1) pp115-135

Goodchild, B (20080 *Homes, cities and neighbourhoods : planning and the residential landscapes of modern Britain*, Aldershot: Ashgate

Goodlad, R (2001) 'Developments in tenant participation: accounting for growth', in Cowan and Marsh

Harloe, M (1995) *The People's Home? Social Rented Housing in Europe and America*, Oxford: Blackwell

Hickman, P (2006) 'Approaches to tenant participation in the English local authority sector' *Housing Studies*, vol. 21, no. 2, pp209-226

Hickman, P and Robinson, D (2006) 'transforming social housing: taking stock of new complexities' *Housing Studies*, vol. 21, no. 2. pp157-170

Hills, J (2007) *Ends and Means: the future roles of social housing in England*, London: LSE

Housing Corporation (1998) *Building a Better Future: revitalising neighbourhoods*, London: Housing Corporation

- (2007a) *The National Affordable Housing Programme: pre-prospectus*, London: Housing Corporation
- (2007b) *The National Afforable Housing Programme: Prospectus,* London: Housing Corporation

Malpass, P (1990) *Reshaping Housing Policy: subsidies, rents and residualisation*, London: Routledge

- (2000) *Housing Associations and Housing Policy: a historical perspective*, Basingstoke: Macmillan

- (2003) 'The Eclipse of Private Enterprise? A reassessment of British housing policy in the 1940s' *Housing Studies*, vol 18, no.5, 2003, pp645-659

- (2009) 'The Rise (and Rise?) of Housing Associations' in Malpass and Rowlands

Malpass, P and Murie, M (1987, 1999) *Housing Policy and Practice*, Basingstoke: Macmillan

Malpass P and Rowlands, R (eds) (2009) *Housing, Markets and Policy*, London: Routledge

Marsh, S (2004) 'The inexorable rise of the rational consumer? The Blair government and the reshaping of social housing' *European Journal of Housing Policy*, vol. 4, no. 2, pp185-208

Mullins, D and Murie, A (2006) *Housing Policy in the UK*, Basingstoke: Palgrave

Mullins, D and Pawson, H (2009) 'The evolution of stock transfer: privatisation or towards re-nationalisation?' in Malpass, P and Rowlands, R (eds) *Housing, Markets and Policy*, London: Routledge

Murie, A., Pocock, R. and Gulliver, K. (2007) *Hills, Cave and After: Renewing Social Housing*. Birmingham: Human City Institute

Murie, A (2006) 'Moving with the times: changing frameworks for housing research and policy' in Malpass, P and Cairncross, L (eds) *Building on the Past: visions of housing futures*, Bristol: Policy Press

- (2008) *Moving Homes: the Housing Corporation 1964-2008*, London: Methuen
- (2009) 'The Rediscovery of Housing Policy' in Malpass and Rowlands

Pawson, H (20060 'Restructuring England's social housing sector since 1989: undermining or underpinning the fundamentals of public housing?' *Housing Studies*, vol. 21, no. 5, pp767-784

Pawson, H and Fancy C (2003) *Maturing Assets: the evolution of stock transfer housing associations*, Bristol: Policy Press

Power, A (1987) Property Before People, London: Allen and Unwin

Tenant Services Authority (2009) *How We Regulate* [online]. Available from: http://www.tenantservicesauthority.org/server/show/nav.13637 [accessed 15 June 2009].

Wilk, C (2006) *Modernism: designing a new world 1914-1939*, London: V&A Publications

---

[i] The great rethinking exhibits different approaches to policy making, the most interesting being the way that the decision to merge the housing and regeneration functions of the Housing Corporation, English Partnerships and the CLG was made in the context of an unpublished internal review, whereas the more discursive investigation of the future roles of social housing was entrusted to an academic, and published independently. The internal review embraced the question of regulation, but did not, apparently, reach any conclusions, because this task was then outsourced to another academic, this time with the report being published by the CLG. In terms of the scale, complexity, urgency, importance and level of public interest it is not clear why these different aspects of the rethinking process should have been dealt with do differently.

[ii] The government pursues its 'better regulation' agenda through the Better Regulation Executive, part of the Department for Business, Innovation and Skills. The agenda is focused on reform through simplification and includes reducing the administrative burden of regulation in the United Kingdom.

[iii] The attention given to names in the great rethinking is interesting. The new agency was initially announced as Communities England, and then changed to the Homes and Communities Agency; the Tenant Services Authority was initially to be the Office for Tenants and Social Landlords (and this name remains in the Act). The name of Cave's report was apparently changed at a very late stage, because it is referred to in the CLG consultation paper of June 2007 as *Putting Tenants First*.