

MR FLESHER

FAMILY POLICY GROUP - 15 FEBRUARY

There are three papers from DoE on housing. The following points might be worth raising.

Assured Tenancies and Building Societies' Powers

The private rented sector will disappear unless the Rent Acts can be reversed or evaded.

Para 4 Assured tenancies offer great prospects. And there is a lot to be said for widening the scope of the scheme to apply^{to}/newly improved or converted homes. But we must make it clear from the outset that these improvements and conversions must involve substantial work, otherwise Labour will threaten repeal instantly.

Para 5 The Building Societies ought to be given the power to own land in the forthcoming Building Societies Bill.

Para 6 Shared ownership must be made possible in the private sector too. Could we get this into the 1983 Finance Bill?

Council House Sales: The Next Half Million

The DoE puts forward two proposals:

- (i) bringing down the three year qualifying period to one year. This would bring a considerable extra number of young couples into home ownership. But there is a parallel danger of attracting more young couples on to council waiting lists since they would have only a year to wait to "cash" their discounts. By contrast, our main aim is to liberate long-term council tenants.

(ii) raising the discount for tenants of more than 20 years standing is much more in tune with our aims. Why should there be a maximum discount at all? The cost-floor provision prevents complete giveaways, in any case. Could we squeeze this into the current Housing Bill?

Rising Repayment Mortgage

We are just as anxious as the DoE to avoid any increased incidence of default. If the Building Societies Association next month does recommend its members to include this type of mortgage, as we hope it will, then the Government certainly ought to consider requiring public landlords to offer purchasers the choice between low-start mortgages and conventional mortgages.

Tackling Problem Estates - Council HOusing Management

The DoE's initiatives mostly de-centralise or privatise the running of council estates. This is certainly likely to improve standards, but it would not give power to the people.

The only initiatives which do give a real say in estate management to tenants are the tenants' co-operatives. At present even these leave the initiative to the good will of the local authority. Should we consider offering Tenants' Associations the right to demand the setting up of a management co-operative - and not just on hard-to-let estates which are only a small minority? We could work towards a situation in which every council estate became in effect an independent housing association.

The fact that hard-to-let properties can be sold to private developers shows that there is a price which almost any council flat can be sold - and, if it is renovated and made vandal-proof, a price at which the seller can make a profit too.

Should we ask the DoE to produce another paper which outlines a policy for self-management for the entire council rented sector?

fm



PRIME MINISTER

FAMILY POLICY GROUP

As you know, I shall not be able to attend the meeting of the Family Policy Group which has been arranged for 15 February, but I should like to say how much I welcome Tom King's paper on "Tackling Problem Estates - Council House Management", (FPG(83)7), and the measures which he describes.

Improvements in the management of housing estates and sales to the private sector where practicable can make an important contribution not only to the self-respect of the local community but also to the reduction of crime. They can do this both directly by reducing the opportunities to commit offences and increasing the likelihood that offenders will be caught and - just as important - indirectly by tackling the apathy and demoralisation which so often results in crime going unchecked by the local residents. As Tom says in his paper, excellent links have already been developed between his Department and mine and I hope we can continue to develop this kind of approach - which involves other Departments and local authorities as well - during the next two or three years.

I am sending copies of this letter to the other members of the Family Policy Group, to George Younger and Nicholas Edwards and to Mr. Mount and Mr. Sparrow.

W. L. H. W.

14 February 1983

PRIME MINISTER

FAMILY POLICY GROUP

Attached are your papers for the Family Policy Group meeting. These comprise three papers by the Department of the Environment on various aspects of housing policy:

- (i) Paper on assured tenancies and building societies' powers (Flag A);
- (ii) Paper on Council house sales and in particular ways of increasing their number (Flag B);
- (iii) Note on tackling problem estates (Flag C).

(Flag D)

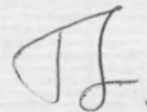
Also attached is a note by the Home Secretary, who will not be able to attend the meeting, together with notes from

(Flag E)

Mr. Mount which brings out the particular points which he thinks

(Flag F)

ought to be stressed, and ~~one~~ by Mr. Sparrow which covers much the same ground. It suggests in particular a new paper on the four million families who will still be Council tenants by the end of the 1980s. These last two papers have not been copied to the other members of the Group.



Timothy Flesher

14 February 1983



bc. F. Mount
G. Wasserman, CPRS.

10 DOWNING STREET

From the Private Secretary

9 February, 1983.

Dear Tom,

Family Policy Group

I attach a further paper by the Secretary of State for the Environment on Tackling Problem Estates - Council Housing Management, for discussion at the Family Policy Group meeting on 15 February. The other items on the agenda for the meeting will be papers already circulated on Assured Tenancies and Building Societies Powers (FPG(83)4), and on Council House Sales: the Next Half Million (FPG(83)5).

The following meeting of the Group has provisionally been arranged for 0930 on Tuesday, 1 March. If this causes difficulties for any of the recipients of this note, perhaps they could get in touch with Caroline Stephens here.

I am sending copies of this letter to John Kerr (HM Treasury), Imogen Wilde (Department of Education and Science), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Richard Bird (Department of Transport), David Clark (Department of Health and Social Security), Barnaby Shaw (Department of Employment), Mary Brown (Lord Privy Seal's Office), Alex Galloway (Chancellor of the Duchy of Lancaster's Office), Pamela Hilton (Overseas Development Administration), Richard Hatfield (Cabinet Office), Gerry Spence (CPRS), and for information to Muir Russell (Scottish Office), and Adam Peat (Welsh Office).

Yours ever,

Tm F

Timothy Flesher

John Halliday, Esq.,
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7

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My ref:

Your ref:

9 February 1983

Dear Tim

FAMILY POLICY GROUP

/ I enclose 20 copies of a further paper by my Secretary of State - Tackling Problem Estates: Council Housing Management - for discussion at the Group's meeting on 15 February.

Yours sincerely
Rose Bright

R BRIGHT
Private Secretary

Tim Flesher Esq

FAMILY POLICY GROUP

FPG(83)7

TACKLING PROBLEM ESTATES - COUNCIL HOUSING MANAGEMENT

Paper by the Secretary of State for the Environment

1. Even after more than $\frac{1}{2}$ million sales during this Parliament just under 5 million families in England will remain as council tenants. The conditions on council estates bear directly on the quality of life of the families living there and on the stability of our inner city areas in particular.

2. Much council housing is of good quality, is adequately managed and is considered satisfactory by the tenants. Nevertheless on the difficult-to-let estates, covering nearly 300,000 houses and flats, living conditions are at best demoralising and at worst nightmarish. Difficult to let estates are all kinds from pre-war cottage housing to industrialized building of the deck access and multi-storey type. Their chief problems are misconceived design, inefficient and remote management and quite inadequate attention to the physical security of the tenants, their homes and their possessions. The multiple failures combine together to produce a high incidence of vandalism and crime, a growing number of empty and boarded up dwellings, a massive backlog of repairs, litter and filth in the communal areas and a deep and justifiable sense of anxiety amongst the tenants - eg "My wife and I never go out together so that one of us is always in the flat".

3. These problems are deep seated, but they are not insoluble. At the beginning of this Parliament in 1979 we launched the Priority Estates Project to show how with radically different management methods and priorities these estates can be turned round. We are also pioneering the putting of existing council estates under private, non-profit making management, and out-right sales of entire vacant blocks to the private sector. These 3 lines of attack are described in more detail below.

a. The Priority Estates Project

This project (PEP), begun in 1979, consists of showing how 3 difficult to let estates in Bolton, Hackney and Lambeth can be successfully turned round. The key features are:-

- improved security, entry phones, community policing, caretakers patrols and security guards;
- physical improvement, private gardens, planting, restricting access ways, improved heating and kitchens in older houses;
- local lettings with flexible allocation rules, allowing students and single people to become tenants and avoiding any significant periods of vacancy.
- locally based management, ie. on the estate cutting across departmental divisions to deal quickly with repairs, security problems, lettings and liaison with tenants;
- tenant involvement in identifying and solving management problems.

More recently we have set up Community Refurbishment Schemes (CRS) on 9 Merseyside estates with the active support of the Manpower Services Commission. These embrace the same principles as PEP but also include the use of local people taken off the unemployment register to rehabilitate the estate on which they live. By April of this year we expect to have set up 16 to 18 CRS schemes covering some 10,000 houses. We have also encouraged through the Housing Act 1980 the development of tenants' management co-operatives in council-owned housing. There are currently 14 schemes operational in England and Wales and 6 in Scotland, the number of tenants involved ranging from 192 to 24.

- b. Bringing in new management expertise: an attempt is now being made at Cantril Farm on Merseyside to rescue a difficult-to-let council estate by bringing in private management on a non-profit making basis. The estate consists of some 3,300 dwellings exhibiting all the worst features of post-war public sector housing. With the aid of private sector finance, a non-profit making Trust is being created to acquire the ownership of the estate. The Trust will comprise representatives of the financial backers (the Abbey National and Barclays) the local authority and the community; it will apply new management skills, involving the marketing expertise of Barratts and a newly formed housing association, to revitalise the estate through a programme of improvement for sale or continued renting, new build for sale and rent, and the provision of new community and shopping facilities.

Other rundown estates in the West Midlands and London are now being considered for similar treatment; financial institutions are being sounded out accordingly.

c. Sales to the Private Sector

A number of local authorities have marketed certain 'difficult-to-let' blocks of flats and houses to developers, or to private individuals, with considerable success. These include the sale of Myrtle Gardens in Liverpool to Barretts and a block of 96 flats in Calderdale to Benjamin Hooson who plan to let some on weekly tenancies and sell others on long leases.

4. We have made a 35 minute film 'Tackling Priority Estates' which illustrates what is being done and is aimed at councillors and officials, police, community workers and tenants. 50 showings with seminars conducted by DOE officials or consultants have been arranged across the country. (A showing for members of the Policy Group can be arranged if desired). The information pack accompanying this film is attached.

5. We are the first Government to have developed a positive, comprehensive and radical set of solutions to the problems of the difficult to let estates. The essence of the problem is not primarily one of finance but of management. Much remains to be done. Too much housing management is far too centralised and remote from the tenants. Far more attention needs to be given to providing for security. And the involvement of the private sector has only just begun. We want to carry these initiatives further.

- (i) more use of consultants to assist authorities set up PEP type management systems;
- (ii) more professional training for housing management staff (only 7% have professional qualification);
- (iii) spread of CRS schemes nationwide with co-operation of Manpower Services Commission;
- (iv) further encouragement of disposal of estates or blocks of dwellings to private developers for refurbishment; and to create additional trusts based on the Cantril Farm model to assume ownership and management of severely run-down estates.

6. A very helpful feature of the current scheme is the excellent links developed between my Department and the Home Office (in relation to crime prevention and vandalism) on the one hand and the Department of Employment (in relation to MSC support for CRS schemes) on the other. I would welcome suggestions from members of the Group as to how these links can be strengthened or other parallel links developed. I am convinced that the only approach which is going to work in these run-down areas is one which cuts across a lot of the old demarcation lines.

CONTACTS

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Housing Appraisal Kit

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1 INTRODUCTION

In 1981/82 authorities in England reported in their HIP returns that they had 286,000 "difficult-to-let" dwellings; ie 5.5% of the total council stock. The definition suggested to local authorities in making their HIP returns was "Dwellings which are frequently rejected, or accepted very reluctantly even by applicants in urgent housing need." They include both occupied and vacant properties.

The large number of difficult-to-let dwellings represents a vast potential waste of public resources. At the same time neglected and declining estates are a serious hindrance to good family and community life.

Investigation

The Department carried out an investigation of difficult-to-let council housing and published the results (see items 1-3 in Sheet 10). The report describes the processes which lead sometimes even sound and modern housing to be caught in a downward spiral, and also recommends the steps which can be taken to arrest the decline and improve problem estates. A main finding of the study was that physical improvement was not enough: attention had also to be paid to improving management and maintenance, involving the tenants, revising allocation and transfer policies, developing the community, and ensuring the monitoring, feedback and follow up of measures taken. Housing management in particular was seen as a key and often badly neglected function.

Priority Estates Project

In 1979, as a practical follow up to the investigation, the present Government mounted the Priority Estates Project (PEP), to run until 1984. In addition three outside consultants were appointed to demonstrate on the ground – on the Wenlock Barn estate in **Hackney**, on the Willows estate in **Bolton**, and on the Tulse Hill estate in **Brixton**. In addition one of the consultants was given a national roving commission to learn from other local authorities' initiatives and to offer assistance to selected authorities' projects. Two key ingredients of PEP are tenants' involvement in and commitment to the improvement of an estate, and the establishment of estate-based management. Where there

are empty dwellings to be filled, an estate-based team letting flats locally can soon more than pay for itself. PEP is developing methods of establishing estate budgets, localised lettings and repairs, training for tenants, monitoring of housing management performance, and so on (see Sheet 10 for PEP's published reports).

Community Refurbishment Schemes

As part of the DOE's initiative in Merseyside each of the five Boroughs (**Knowsley, Liverpool, St Helens, Sefton** and **Wirral**) has been invited to set up **Community Refurbishment Schemes (CRS)** on one or more of its difficult-to-let or problem estates. **Ellesmere Port and Neston** and **Halton** will set up similar schemes. The special features of CRS are (i) the use of local people taken off the employment register to rehabilitate the estate on which they live; (ii) having a site office and management presence on the estate itself; and (iii) giving local tenants the chance to become involved also in the future management of the estate. Funding is via the Manpower Services Commission and the Urban Programme. Some of the Merseyside teams began work early in 1982. DOE's **Housing Appraisal Kit** has been adapted for the initial survey of residents on CRS estates. Experience from PEP and other initiatives is being fed into these schemes.

This Folder

The Sheets in this folder are designed to accompany the DOE film "Tackling Priority Estates," and attempt to summarise activity in many local authorities under key headings. Not all the items mentioned in the Sheets could be accommodated in the film. Contacts for each item are listed on the reverse of each sheet, and references on Sheet 10.

Contacts listed overleaf

2 IMPROVING SECURITY

It is essential in difficult-to-let estates to improve security – from intruders, burglars, vandals etc. This is especially true of multi-storey estates where entrances and access ways are shared by many flats. Security can be improved by a combination of measures – increased management presence, caretakers' patrols, security guards, keeping dwellings let, entryphones on shared entrances, and liaison between locally-based management and a home-beat "community" policeman. Improved security has to be seen as part and parcel of upgrading an estate generally.

The measures described below can quickly more than pay for themselves in decreased repairs and increased revenue from faster letting of more secure and more popular flats. Tenants can be willing to pay a small extra rental for improved security.

Entryphones

Many authorities have begun to install entryphone systems. It can be done even on pre-war balcony access blocks as on **Lambeth's** Tulse Hill estate. **Southampton** have adopted a policy of enclosing all communal entrances and installing entryphones. In both cases at least 70% of the tenants have to agree first. A small charge (40p or 50p) is added to the rent. Entryphones can be combined with the provision of door porters or "concierges" – see below.

In **Hammersmith** a previously vandal-prone high rise estate above a shopping centre (Charecroft estate) has had an entryphone system installed in which the caretakers and every tenant can see the visitor at the entrance on their home television screen. A similar system has been installed in **Wandsworth's** Arndale estate.

Blocks of 4-storey maisonettes in Yorke Drive estate, **Newark**, have had extra staircases installed and access balconies blocked-off so that only between 3 and 6 upper dwellings are served by each entrance. Entryphones are installed. The total cost was some £3,000 per dwelling, including the provision of private gardens.

Sheet 5 gives details of a scheme in **Dudley** where entryphone installation has been combined with a radical change in allocation policy.

Caretaker's Patrols

Some authorities still do not employ caretakers except in high rise blocks. Others say that the job has become unpopular and dangerous. But on **Lambeth's** Tulse Hill estate the 5 empty posts were filled after high standards for cleaning and patrolling had been re-established. Now caretakers patrol regularly in pairs and in uniform.

Concierges and Security Guards

Several tower blocks in **Liverpool** and **Wirral** have had door porters or concierges provided. In **Liverpool** it costs £19,000 pa for 3 porters to cover one block for 18 hours a day, 7 days a week. The 16 concierges provided on 8 blocks in **Wirral** cost a total of £91,000 pa. Vandal damage incurred before the provision was made had cost, on some of the **Liverpool** blocks involved, as much as £39,000, £51,000 and £100,000 in a year. The authorities are convinced that the measures more than pay for themselves, not only in decreased repairs, but also in increased revenue from faster lettings of more secure and more popular flats. Two patrol guards on the **Ragworth** estate in **Stockton-on-Tees** have reduced the annual repairs bill by £24,000. The guards cost £9,200 per annum. **Stockton** is to extend this approach to another estate.

Community Policing

On **Lambeth's** large **Stockwell Park** estate, which has deck access and underground garages, a policeman is permanently based alongside the estate management staff. On nearby **Tulse Hill** the estate shares a beat policeman with the surrounding area. He visits the estate office regularly. In **Bolton**, the **Willows** estate has its own policeman who has an office in the same house as the estate staff. Three policemen between them cover the period between 9am and 1am each day on the **Springwell** estate in **Gateshead**, and work from the estate office. It is difficult to assess the impact of these arrangements on crime figures – people may report more – but it does give tenants and staff more confidence. Other housing authorities should consider approaching the local police authority to negotiate similar arrangements.

Filling Empty Homes

Reducing voids and improving security go hand in hand. Allocation policies and lettings systems which militate against rapidly re-letting vacated dwellings help produce a rundown atmosphere of boarded-up properties, inviting neglect, vandalism and theft.

Contacts listed overleaf

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3 PHYSICAL IMPROVEMENT

Many priority estates will need improvements to the dwellings, or to the blocks and the surrounding environment. But capital improvements can be wasted if they fail to reflect tenants' priorities, and tenants don't end up with a role in maintaining the improved condition of their own estate. Tenants' involvement; locally-based management; better cleaning, repairs and maintenance arrangements; and allocation and lettings all play an essential part in getting a permanent and not a transitory benefit from physical improvements.

Transforming the Environment

On the rural inter-war Priors estate in **St Edmundsbury**, alongside house modernisation and some new build to provide a better mix of dwelling sizes, the opportunity was taken to alter radically the layout, increasing privacy and reducing the uniformity of this previously very rundown estate. The total cost has ranged from about £9,000 to £12,500 per rehabilitated unit, including environmental works.

After a survey of the tenants carried out by Newcastle upon Tyne Polytechnic, **South Tyneside** began to improve the '50s and '60s Queens Road estate in Jarrow. 561 dwellings in 3 and 4 storey blocks of flats and maisonettes are being transformed, many into 2 and 3 storey houses. Private gardens are being provided and communal entrances abolished. At a total cost of £11,000 per resulting dwelling, a previously very hard-to-let estate now has people queuing to move in.

As part of a comprehensive strategy to upgrade the extensive North Kenton area in **Newcastle upon Tyne**, 27 five-storey point blocks – converted to single persons' accommodation – have benefitted from extensive surrounding landscaping, funded by the Partnership programme, which has greatly improved the appearance and acceptability of these blocks at a cost of £1,500 per flat. (Sheet 8 details the conversion to town houses of other blocks at Kenton Bar East on the same estate).

On **Hackney's** Wenlock Barn estate intensive planting around the blocks increased privacy and quickly brightened up the estate. This was planned by the **Landscape**

Design Group who similarly transformed **Lewisham's** Milton Court estate.

On the North Braunstone estate in **Leicester** a concerted effort to deal with problems of condensation in the 1,800 inter-war houses has been combined with environmental improvements and additional social provision. Tenants' priorities have influenced spending decisions.

Providing Private Gardens

Many estates are planned with a lot of communal space, all of which has to be maintained by the council. Many residents, on the other hand, would like to have their own private garden or patio, adjoining and accessible from their home. Communal space has been converted into private gardens or patios on **Nottingham's** Crabtree Farm estate; **Newark's** Yorke Drive estate; and on the schemes in **South Tyneside**, **Hackney** and **Lewisham** mentioned above.

Entrances and Access Ways

In difficult-to-let blocks of flats and maisonettes entrances, stairways and access balconies are often dirty and thoroughly depressing places. In **Southampton** and **Dudley**, and on the Arndale estate in **Wandsworth**, the installation of entryphones offered an opportunity to transform such spaces with carpets, plants and better and brighter finishes.

Tenant Involvement in Physical Improvement

A radical way of involving tenants in dwelling modernisation is being tried in **Glasgow** and is now being adapted on the Willows estate in **Bolton** – the Tenants Grants Scheme. Instead of the local authority carrying out the internal improvements itself, it makes grants available to tenants who then appoint one of a number of approved small contractors to carry out the work. The total grant available in Glasgow – made up of elements for the kitchen, heating etc – amounts to some £2,000 per house. Tenants are free to top up with their own money and often do so, and contractors compete on what they can offer for the standard grant. The local authority remains responsible for

external works. A main advantage is that tenants supervise the internal work themselves and can develop a sense of pride and a stake in the completed improvements. (See Sheet 7 for the use of the Scheme by a management co-operative.)

In **Bolton**, the residents of the Willows estate have worked with the local authority to bring areas of waste land into use as allotments, a children's playground and a site for a community centre. The tenants' board on **Hackney's** Wenlock Barn estate supervised a £60,000 landscaping contract paid for by Partnership. Local schoolchildren and tenants on **Lambeth's** Tulse Hill estate helped create a nature garden out of a patch of rubbish-strewn waste land. On several estates tenants have worked with council staff to clear accumulated rubbish so that a fresh start can be made.

Sometimes local authorities and architects want to impose plans on estates which fail to deal with tenants' priorities: for example, planting trees and building expensive hard landscaping while entrances remain insecure or rubbish accumulates around inadequate waste disposal systems. It is better – and in the long run cheaper – to consult tenants first and tailor improvements accordingly.

Contacts listed overleaf

TACKLING PRIORITY ESTATES

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4 ALLOCATIONS AND LETTINGS

Lettings processes, whereby those at the top of the waiting list and the homeless are impersonally channelled through town hall and district office to dwellings often on estates that are uncared-for, and without local management, can result in a high refusal rate, a build-up of empty homes and resentful tenants waiting for a chance to move out. The psychology of this process can be changed by adopting locally-controlled lettings. Certain estates or blocks, whilst unpopular or unsuitable for families with children, can be much sought after by single people, students, or the elderly. A simple change of allocation policy will often need to be backed up by other arrangements, such as providing caretakers and security, some additional facilities, and upgrading communal areas.

Local Lettings

General waiting list and homeless applicants in **Lambeth** who are due for rehousing are given the address and phone numbers of the several Neighbourhood Management Offices (NMOs), each of which deals with an estate or local grouping of dwellings. This puts the onus on the applicants who then have to visit as many NMOs as they wish in order to register their names on the local lists. As vacancies arise the NMOs will notify the applicants. This results in giving the applicant a sense of initiative and choice, and in a very quick turnaround of homes that were previously difficult to let. The central lettings section in **Bolton**, supplies the Willows estate office with names of applicants who have given the local area as their first choice. These applicants are then approached individually by the estate staff and "sold" the virtues of the estate. Here, as on the Springwell estate in **Gateshead**, applicants are encouraged by estate-based staff to feel that a tenancy there is an opportunity to be valued, rather than a last-ditch chance of a roof over their head. (See also Sheet 5)

Unconverted Family Units for Single People

Several authorities have used unconverted family-sized flats or maisonettes on difficult-to-let estates for single people sharing: examples include **Lewisham**, **Manchester** and many ex-GLC estates, now transferred to

London boroughs, and the **Stafford** schemes described below.

Conversion for Single People

Newcastle upon Tyne has converted 27 five-storey point blocks on North Kenton estate into single persons' accommodation at a cost (at 1978 prices) of £5,760 per unit (see also Sheet 3); and **Reading** has made self-contained two person flats and bedsitters – the former available for single people sharing – out of an unpopular 1960s deck access block of maisonettes. The total cost of this scheme was some £10,000 per unit.

Furnished Accommodation

In **Blackburn** 3 and 4 bedroom flats on a deck access estate have been turned into furnished bedsitters with shared bathrooms and kitchens. The rent of about £10 per person includes a cleaning service for the shared facilities, and the scheme has attracted students and other single people. **Stafford** have furnished some previously difficult-to-let flats in 5-storey blocks and let them to two single people sharing with a rent per person of about £12 per week. The tenants are responsible for cleaning in this case. Entryphones have been installed.

Student Accommodation

In **Liverpool** 2 tower blocks, *Crete* and *Candia*, comprising 123 dwellings, have been made over to the Polytechnic who have undertaken improvements, furnished the flats, and provided caretaking, cleaning, launderettes and a 24-hour security guard. The students pay £14 per week each and usually share 3 to a flat. The scheme is highly successful and there are no empty units. In **Stafford** a tower block is leased to the County Council who use it to house over 200 students.

Older People in High Rise Blocks

Dudley, faced with several high rise blocks of flats that were unpopular with families and prone to vandalism, adopted a "mature persons' blocks" policy, entailing moving families out, installing entryphones, carpeting entrances and

stairways, upgrading the landscaping, appointing a superintendent caretaker for each block, and reletting only to single people or couples over the age of 40. The cost of the improvements, including landscaping, for one of the blocks, was less than £600 per dwelling. The caretaker has the job of introducing each applicant to an existing tenant in order to encourage the take-up of tenancies in what is sometimes regarded as an unpopular building form. As a result, blocks that a few years ago had an unenviable reputation and a high incidence of voids, are now regarded as pleasant places to live, with no voids, and a list of people waiting to move in.

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5 LOCALLY-BASED MANAGEMENT

Many local authorities are establishing management teams on problem estates. Managing and maintaining estates of several hundred dwellings requires on-the-spot day-by-day attention. This cannot be given by staff in district offices or town halls. Local – or estate-based – management also helps gain the positive co-operation of tenants that is essential in the process of upgrading estates. Localised management makes possible local lettings (see Sheet 4). An efficient maintenance and repairs service is an essential part of management; and a locally-based repairs team can increase tenants satisfaction and ensure speedy attention to repairs and increased productivity.

Linking estate-based management with estate budgets (as in management co-operatives) could be a vital tool enabling estate managers to manage more effectively (see Sheet 6).

Spreading Initiatives

Before the rapid increase in the size of the public sector stock, estate-based management was often practised, and housing associations like the **Sutton Housing Trust** have always had estate-based management. In recent years some local authorities have again begun to devolve housing management functions from the centre to the local or estate level: early examples included **Islington**, **Newcastle upon Tyne**, **Lambeth**, **Gateshead** and **Liverpool**. The Priority Estates Project was set up to learn from, and extend, these initiatives, working with the local authorities in setting up estate-based teams on the **Tulse Hill** estate (ex **GLC**, now **Lambeth**), in **Hackney** and **Bolton**. More recently locally-based management teams have been established in **Walsall**, **Oldham**, **Rochdale**, **Wandsworth**, **Stockton-on-Tees**, **Tameside**, **Wakefield**, and on some of the **Community Refurbishment Schemes** (see Sheet 1) in the Merseyside boroughs.

Need for Local Base

Many large difficult-to-manage estates have to share the time of an estate officer who works from the District Office, sometimes a mile or more away. Lettings and repairs are

organised centrally, or from different district bases. Chasing rent arrears might take up much of the estate officer's time leaving little opportunity to deal positively with the estate's problems. For example, on the **Wenlock Barn** estate in **Hackney**, a long-standing commercial refuse problem took over a year to sort out and involved negotiations with six local authority departments. This could not have been tackled without the detailed efforts of an estate-based team. **Hackney** is adopting the **Wenlock Barn** model, together with local budgets, in 25 new area bases each dealing with between 1,500 and 2,000 dwellings. In **Walsall**, 34 neighbourhood offices have been opened, providing a complete housing management service (including lettings, repairs, and an aid and advice service). Certain social service and education functions are to be added to them.

Local Lettings

Lambeth, **Bolton**, **Newcastle upon Tyne** and **Gateshead** have all linked local lettings to their estate-based neighbourhood management projects, reducing the number of empty units, cutting the cost of repairing vandalised empty homes, and enabling a more personal approach to applicants (see Sheet 4).

Local Repairs Teams

A repair team is attached to the Intensive Management Project on **Liverpool's** **Netherfield** estate; the city says it has increased productivity by 57%. **Walsall** claims a 130% productivity increase for its new mobile repairs teams linked to its neighbourhood management offices. On the **Wenlock Barn** estate in **Hackney** a repair team works alongside the estate management team and the Tenant Board. It is supported by the local unions. Local teams can save on travel time, liaise closely with management on priorities, sort out access problems more directly, and provide a more personal service. Concentrating on one estate they can more easily see the results of their work. Larger tasks of maintenance and structural repairs still need district or centrally-based teams.

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6 ESTATE BUDGETS

Estate or area budgets are a logical extension of local – or estate-based – management (see Sheet 5). They give tenants and estate staff alike the chance to see where the money goes and check value for money. Ideally such budgets should cover not only the housing department's own expenditure, but also related expenditure by other departments – parks, engineers, building works etc. Estate budgets can be an important tool enabling managers to manage.

Revenue budgets are planned for each of the 26 housing areas in **Hackney**. Experience of estate budgets in **Jersey City, USA**, is being fed into the Hackney scheme. Estate budgets or housing area revenue budgets are rare in Britain, other than in management co-operatives where in each case a proportion of the rent has to be set aside for management and maintenance.

On most estates it is difficult to disentangle the different amounts of expenditure by the numerous services involved. It would be difficult to work out the savings on lift repairs, for example, resulting from better security arrangements such as entryphones and caretakers. Even where there is an estate management team, without an estate budget the estate manager has difficulty in being an effective client for the various services when there is no way of knowing what expenditure is reasonable, of being able to check on value for money, or to balance one kind of expenditure against another within an agreed total. The existence of an estate budget also would allow – as in management co-operatives – tenants to develop a better awareness of expenditure priorities and to become involved more effectively in management.

The government's yardstick for housing associations' management and maintenance is about £5 per week per unit for new build schemes and £9 for rehabilitated property. Management co-operatives in London get about £7 per week per unit. London boroughs spend on management and maintenance approximately £10-£13 per week per unit; Liverpool £5; Bolton £4.

PEP has produced the following hypothetical examples of estate budgets as starting points:

Estate A

Pre-war, cottage style, 300 houses.

Income

£4 (allowance) x 300 x 50 £60,000

Expenses

Estate office £ 5,000

1 Officer £ 7,000

1 Warden (caretaker)..... £ 5,000

Estate equipment..... £ 1,000

1 Repair (odd-job) worker plus costs..... £10,000

Materials..... £10,000

Contract maintenance and improvements..... £20,000

£58,000

Estate B

Late 1960's 1,000 units, mixed deck access flats and maisonettes, other multi-storey blocks and houses.

Income

£6 x 1,000 x 50 £300,000

Expenses

Estate office £ 7,000

3 Estate officers..... £ 30,000

1 Clerical worker £ 6,000

5 Repairs workers..... £ 50,000

Materials..... £ 50,000

Contract and outside work..... £100,000

10 Caretakers £ 50,000

Contingencies..... £ 5,000

£298,000

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7 TENANT INVOLVEMENT IN MANAGEMENT

The management of rented housing should be a co-operative effort between landlord and tenant. On difficult-to-let estates tenants feel powerless to affect the environment outside their front door. Tenants blame the local authority for a poor service; and the local authority blames tenants. Local authorities trying to change this situation soon come up against the problem of their credibility with the tenants. The initial consultation process is thus a sensitive one, and it is important to be able to respond quickly to tenants' main priorities. In many cases there will be tenants associations or federations with whom the local authority can work. The aim might be simply better co-operation between tenants and management, or for the tenants to take on tasks, as in management co-operatives.

Initial Consultation

Public meetings of tenants can be acrimonious events in which only a few people get a say. The **National Association for the Care and Resettlement of Offenders (NACRO)** adopted consultation of tenants in small face-to-face groups, using an independent chairman, on **Halton's** Cunningham Road estate. NACRO have since established a team working on estates in London, the Safe Neighbourhoods Unit, supported by the GLC, using the MSC Community Enterprise Programme to provide the labour for both consultation and environmental improvements. Similar projects have been developed throughout England and Wales. NACRO's approach to consultation was adapted by the Priority Estates Project (see item 4 on Sheet 10 for details). Several rounds of consultation may be needed, focusing on particular issues, or house-to-house surveys.

Getting Tenants Involved

Consultation carried out in a genuine spirit and with skill can have various spin-offs, notably tenant-led initiatives. In **Bolton's** Willows project, tenants and owner-occupiers combined forces to employ a neighbourhood worker, to open a cafe for tenants affected by dwelling improvement, to turn waste land into allotments, to run a community newspaper, to run a play scheme, to commission a

community centre etc. This was in an area with no history of similar activity.

On the Stockwell Park estate in **Lambeth**, the tenants' association work closely with the estate management team, for example showing flats to prospective tenants at weekends and signing them on. The tenants on **Islington's** Hornsey Lane estate employed their own community worker and, with tenants on surrounding estates, helped construct and run a community garden.

One of the key features of the Merseyside **Community Refurbishment Schemes** (see Sheet 1) is that local people will be employed under an MSC scheme to catch up with repairs and improve the environment. Tenants are also helping carry out initial household surveys.

On the Bolton and Hackney PEP estates the residents have formed elected Boards specifically to work closely with management. The Tenant Board on Hackney's Wenlock Barn estate have registered as a Friendly Society as a first step towards taking on additional responsibilities. They have already managed some £83,000 worth of projects to improve the estate's environment, and employ two workers. On the other PEP estate – the GLC's (now **Lambeth's**) Tulse Hill – there is an elected Neighbourhood Management Committee under the umbrella of the Tenants' Association. They meet regularly with Council staff and check through a list of agreed actions on each side.

Management Co-operatives

Under the Housing Act 1980, Schedule 20, local authorities have powers to hand over management and maintenance responsibilities, subject to the approval of the Secretary of State, to tenants' management co-operatives. Sixteen management co-operatives have so far been approved on council estates in England. The GLC's **Stephen and Matilda Co-operative** and **Juniper Co-operative** in **Southwark** are examples of how a co-operative can improve a rundown council estate.

So far, in England, all existing management co-operatives on older council owned estates are made up of new groups of tenants who expressed an interest in developing or moving onto a co-operatively run estate. The **Speirs Co-operative**

in **Glasgow** is an exception in that it comprises mainly the established residents of what once was a severely rundown estate. The co-operative manages 192 dwellings, built in 1938, and began by taking on collective responsibility for modernisation under Glasgow's Tenant's Grant Scheme (see Sheet 3). It is supported by a full-time Development Officer. As the modernisation is completed, the co-operative assumes responsibility for allocating tenancies, and managing the repairs and cyclical maintenance of the dwellings and common areas. The Council retains responsibility for rent collection, and dealing with arrears. The co-operative committee reports that many tenants sense that the improvements achieved on the estate come from their own efforts. For a description of this and other co-operatives at work see item 16 on Sheet 10.

Training and Development

Tenants need assistance and training if they are to come to grips with the complex problems of running housing and dealing with official bodies. The **Greater London Secondary Housing Association (GLSHA)** has helped with the development of management co-operatives and has worked with the Priority Estates Project in consulting and training tenants in **Hackney, Oldham** and **Rochdale**. The **Society for Co-operative Dwellings (SCD)** has offered its services, based on its own experience in running co-operatively managed housing association schemes, to local authorities wishing to develop tenant participation or tenants management co-operatives on existing estates.

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8 OPPORTUNITIES FOR SALES

Many local authorities and New Towns are finding there is a strong demand for difficult-to-let dwellings that are offered for sale. Sales help bring empty dwellings back into use and at the same time extend home ownership. In areas of predominantly council housing they improve the balance of the community. The improvement of houses and flats by local authorities under the Improvement for Sale scheme can be eligible for an Exchequer contribution. Discounts applied to sale prices increase opportunities for low cost home ownership. Sales of vacant difficult-to-let stock to builders for improvement and onward sale or letting bring additional capital receipts to a local authority and save it a substantial amount of improvement expenditure that it would otherwise have to incur itself.

Consents

The General Consent for local authorities dated 2 June 1981 (amended 10 November 1981), and the General Consent for New Towns dated 17 June 1981, set out the terms on which authorities may dispose of their stock. Vacant dwellings, whether or not improved for sale, may be sold at a discount of up to 30% to individual purchasers in priority categories including first-time buyers, job movers and the homeless. The General Consent also permits sales of vacant property to builders for improvement and subsequent disposal to individual purchasers at market values. Special consent is required where the ultimate result is not home ownership.

Homesteading

A local authority can sell homes for improvement by the purchaser – homesteading. Local authorities can sell these homes at discounts of up to 30 per cent to the priority categories of purchasers, can make home improvement grants available, offer improvement loans and give or guarantee mortgages. With the consent of the Secretary of State, they may waive interest payments on mortgages for homesteading for up to five years (under Section 110 of the 1980 Housing Act). Homesteading schemes can be designed to suit local conditions. Examples are given on Sheet 9.

Home Improvement Grants

Purchasers of difficult-to-let dwellings built before 2 October 1961 can apply for mandatory grants to install standard amenities or replace those which have been missing for more than a year. They can also apply for discretionary full improvement grants for more extensive improvements (for example to homes which have been left empty and vandalised).

Improvement for Sale Scheme

A local authority can improve for sale houses or flats which are unfit, lack basic amenities, have fallen into disrepair or need general improvement. The Improvement for Sale Scheme made under the 1980 Housing Act provides for an Exchequer contribution of up to £6,500 per dwelling in Greater London and £4,875 elsewhere. Similar grants are available for housing associations and New Towns.

Capital Receipts

Where homes are improved for sale by the authority, or sold in homesteading schemes where the purchaser has to execute works within a period specified by the authority, 100% of the proceeds of the sale count as a capital receipt and can immediately be used to supplement the authority's HIP allocation. In other cases of the sale of unimproved dwellings (without conditions for executing the work in a specified time) 50% of the capital receipts can be added to the HIP allocation. In this way the sale of difficult-to-let dwellings – especially where mortgages are arranged with banks or building societies – can provide additional resources for the improvement of dwellings that continue to be let.

9 OPPORTUNITIES FOR SALES-EXAMPLES

Homesteading

Telford New Town began selling empty, unimproved houses, with a 30% discount, in 1979. On one estate, with a 25% vacancy rate in 1979, over 40% of the late 1960s dwellings had been sold or were under active negotiation by early 1982. **Corby** has sold nearly 300 dwellings, some for as little as £2,200.

Skelmersdale has also adopted a policy for offering for sale at a 30% discount modern houses that had become extremely difficult to let and, in many cases, vandalised. Prices in Skelmersdale ranged from as little as £2,250 up to some £8,500 after discounts. By early 1982, the Corporation had sold about 650 vacant houses at a discount, potential purchasers having queued up to obtain them. On Castlehey estate only one third of the houses are still rented. Purchasers improve the homes themselves, often to a very high standard (despite the non-availability of improvement grants to these post-1961 homes).

In **Westminster**, the council introduced HOWS (Homes of Westminster) under which the freehold of large houses not suitable for single family units are sold to groups of purchasers selected from the waiting list. The council organises a financial package enabling each group to convert a house into flats, using private builders to carry out the work. When the work is finished, individual members of the group buy the lease of their flat with a mortgage which repays the original loan and the interest on it. The Woolwich and Halifax Building Societies have earmarked funds for purchasers under the scheme.

Out of 150 previously difficult-to-let purpose-built council dwellings previously scheduled for demolition, offered for homesteading in two streets in Easterhouse, **Glasgow**, 149 have already been either sold or are on offer. A further 66 dwellings will be added to the Scheme later in 1982. Prices were originally set at £3,000 per unit but are currently £6,000-£6,500. In return for 50% improvement grants, topping up loans towards internal improvements, with all principal and interest payments deferred for the first year, the purchaser undertakes to complete plumbing and rewiring within three months and to complete interior decorations and repairs within a year.

The first few purchasers were given local authority mortgages but these are being transferred to a Building Society. The West Scotland Trustee Savings Bank offers mortgages on the remaining properties, again with deferred payments. There has been a dramatic change in the environment of the streets involved.

Improvement for Sale by the Local Authority

Solihull has turned a four-storey block of 12 difficult-to-let maisonettes into starter homes. They were constructed in 1963 as part of the large Kingshurst estate, and have now been sold for £6,650 each including a 30% discount. The cost of the basic repairs needed to the maisonettes was only about £250 per unit, while landscaping improvements cost £50 per unit. The Housing Committee agreed to sell five to waiting list applicants, five to existing council tenants, and two to engaged couples. Over 200 enquiries were received even before the homes were advertised. Mortgages were mostly arranged through the Support Lending Scheme, though some purchasers went to their own Building Society.

At **Kenton Bar East, Newcastle upon Tyne** has converted extremely rundown three-storey blocks of flats and maisonettes into attractive town houses. Initially some were converted for rent, but 42 town houses have been created for sale, using the Department's Improvement for Sale contribution. The houses sell for £13,950 (2 bedrooms) and £15,950 (3 bedrooms). The Abbey National Building Society has arranged 95% mortgages and all are now sold. Including writing off the outstanding loan debt, the net capital outlay (before subsidy) of the local authority is £1,900 per unit. The conversion of these blocks for owner occupation, together with other works (see Sheet 3) carried out as part of a general strategy for the estate, has helped transform the environment of this estate.

Sales to Builders

Several authorities are negotiating sales of difficult-to-let blocks of flats or houses to builders who will improve them for resale. A much publicised case is the sale of three extremely vandalised 1960s slab blocks comprising 210 maisonettes in **Everton, Liverpool**, to **Marque Securities**

Limited, who plan to improve and market them. **Barratt Northern Limited**, is purchasing a 1930s block comprising 220 flats in the same city, in **Toxteth**. In **Skelmersdale**, **Skelmersdale Investments Limited** has purchased 16 individual houses on the **Digmoor** estate for improvement and onward sale, together with a further group of 20 dwellings elsewhere in the **New Town** which have never been completed owing to disputes and vandalism. As part of a strategy to improve the **Mixenden Valley** development, **Calderdale** have obtained a special consent to sell a block of 96 flats to **Benjamin Hooson (Yorks) Limited** who plan to let a proportion on ordinary weekly tenancies and dispose of others on long leases.

Sales for Private Letting

Stoke-on-Trent sold 42 vandalised and extremely difficult-to-let deck access flats to **Brightaflats Limited**, a Manchester based company with 900 lettings. After renovation, all have been let on shorthold tenancies. There was no shortage of applicants and there is a waiting list.

A Marketing Approach

Several of the authorities mentioned in this sheet have adopted a highly professional approach to marketing their homes for sale. **Newcastle upon Tyne** advertised its newly converted town houses with a folder of information and, on its cover, a colour photograph of the pilot scheme. A feature article in the local newspaper and an advertisement with the slogan "Sale of the Century" helped **Solihull** market its starter home maisonettes. **Skelmersdale** sold its unimproved houses under the slogan "Cut the Red Tape" and has produced a colourful leaflet advertising previously difficult-to-let low rise blocks of flats and maisonettes at **Tanhouse** to developers, builders, housing associations and other organisations. The opportunity is taken in all cases to present the advantages of the location and to market the houses and flats professionally.

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10 REFERENCES

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- 2 Department of the Environment, HDD Occasional Paper 4/80, **An investigation of difficult to let housing, Volume 2, case studies of post-war estates.** HMSO 1980, £3.25 net.
- 3 Department of the Environment, HDD Occasional Paper 5/80, **An investigation of difficult to let housing, Volume 3, case studies of pre-war estates.** HMSO 1980, £3.25 net.
- 4 Department of the Environment, **Priority Estates Project 1981: improving problem council estates.** HMSO 1981, £6.50 net.
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- 6 Housing Research Group, The City University, **Could local authorities be better landlords?** The City University 1981, £6.00 net.
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- 12 Housing Research Group, The City University, **Housing training: findings and recommendations.** The City University 1977, £1.13 net.
- 13 Housing Research Group, The City University, **Key issues in housing training: final report of the housing training project.** The City University 1981, £1.50 net.
- 14 Housing Services Advisory Unit, DOE, **Reducing the number of empty dwellings.** Department of the Environment 1981, free.
- 15 Department of the Environment, **Management co-operatives: the early stages.** HMSO 1981, £1.95 net.
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- 17 Robert J Rigby, **The residents as a resource: a public housing management demonstration in Jersey City.** New Jersey Department of Community Affairs, State of New Jersey 1982, \$5.00 net.

The free publication on the **Priority Estates Project** (Item 5) can be obtained from DOE, Room N9/03, 2 Marsham Street, London SW1P 3EB.

Housing Services Advisory Group and **Housing Services Advisory Unit** publications can be obtained from DOE, Room N9/01, 2 Marsham Street, London SW1P 3EB. (Phone 01-212 8479 for information on postage and packing rates).

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Items 4 and 5 contain lists of other references including **Priority Estates Project Working Papers.**

FAMILY POLICY GROUP

COUNCIL HOUSE SALES: THE NEXT HALF MILLION

Paper by the Secretary of State for the Environment

1. Within the next few weeks the number of sales of council, new town and housing association houses in Britain since April 1979 will pass half a million. Applications under the right to buy have held up strongly during 1982: there were 140,000 during the first 9 months. Some 200,000 sales are currently in the pipeline. If this Parliament runs its full course we can expect a total of 650,000 to 700,000 sales over the 5 years from April 1979 to March 1984.
2. This is undoubtedly one of our major successes. Provisions in the current Housing and Building Control Bill to extend the right to buy to leasehold properties and to certain tenants of charitable housing associations will bring a further 120,000 families into the scheme, producing perhaps another 10,000 sales. In addition the right to a shared ownership purchase conferred in the Bill will make home-ownership a practical possibility for almost all tenants in full-time employment.
3. Given that 55% of all public sector tenants in England are on supplementary benefit or in receipt of rent rebates and taking account of sales already in the pipeline or foreseeable before the end of this Parliament we estimate that at the end of March 1984 there will be about 1.8 to 1.85 million tenants in Great Britain in a financial position to buy with right to buy discounts of between one-third and one-half

of open market value. Of these about 1 million are unlikely to buy either because they consider their present house or flat would be a bad buy (one-third of all council tenants live in flats) or because they are too old. This leaves perhaps 800,000 to 850,000 potential sales to sitting tenants after March 1984. In addition to that our low-cost home-ownership programme (building for sale, improvement for sale, home-steading and shared-ownership) will enable many thousands of public tenants who don't want to buy their present houses or flats to vacate them and move into home-ownership through these various schemes. We must certainly do everything we can to build on our achievement so far and take the right to buy further. I have the following proposals.

4. Marketing

It is evident that there are wide differences between the level of applications in different authorities of similar type and geographical location. For example 20% of tenants have applied to buy in Scunthorpe but only 5% in Hull. Increased take-up of the right to buy has invariably occurred where our supporters have been active in promoting the right to buy locally, and where councils have changed control to one more sympathetic to the right to buy. Since the change of control in Birmingham last May there have been 8,000 new applications there alone. Further publicity of the right to buy by the Government is however necessary, and this will be taking place shortly.

5. Legislative changes

I have also been giving careful thought to possible changes in the statutory scheme which could give a further stimulus to sales. With so many people having bought on the present terms already and 200,000 sales going through we must accept that any radical departure from the current scheme would cause delay while some tenants waited for more advantageous terms to become available. There could also be some resentment from those who have just completed. Nevertheless there are two proposals which I believe we should consider and which could be seen as evolutionary in relation to the present scheme. They are as follows:-

- (i) Three year rule. A considerable number of tenants who wish to buy their homes are at present prevented from doing so by the requirement that they must have completed three years' secure tenancy before they can exercise the right to buy. Though this provision was in our Manifesto, I consider that there are strong grounds for removing it or at least bringing it down to one year. The day that a tenant goes into a house or flat as a secure tenant, he has full security of tenure; on those grounds it seems perfectly justifiable that the right to a discount off vacant possession value should arise immediately. We have in fact already given councils the power to sell voluntarily to tenants at any time during their first three years of occupation, at discounts of up to 30%. By abolishing the three

year qualification we should simply be giving the right to buy at a 30% discount from the start of the secure tenancy. I estimate that this change would affect some 750,000 tenants and give rise to some 50,000 additional applications to buy in the first year. However we must also consider the presentation and the link in people's minds between rent contributions and entitlement to discount. On balance it may be best to come down from 3 to 1 year as a qualifying period.

(ii) Tenants of more than 20 years standing

The right to buy scheme provides for discount entitlement to increase from the basis 33%, by 1% for each year of tenancy over and above the basic three year qualification, up to a maximum discount of 50% in respect of twenty years. There are clear indications that there are significant numbers of tenants towards the end of their working lives, or in retirement, who would wish to buy their council homes if larger discounts were available to them in recognition of previous periods of tenancy stretching over more than twenty years. In the light of this it seems both logical and equitable to carry forward the present discount scheme by tenyears, providing for an additional 1% discount entitlement for each year of tenancy between years 20 and 30, taking the maximum discount (subject to the cost-floor) from 50% to 60%. I estimate that this would increase the financial attractiveness of purchase for about 400,000 of the existing eligible tenants (100,000 with thirty years' tenancy or more, and 300,000 with between twenty and thirty years' tenancy). If colleagues wished we could take the principle to its logical conclusion and simply allow the basic 33% discount to be increased by

1% a year depending on length of tenancy without imposing an artificial maximum of 20 or 30 years - subject again to the cost-floor provision, which ensure that the discounted price does not go below cost.

6. Rising repayment mortgage alternative

Detailed consideration is being given by the Treasury, my Department and the Building Societies Association to Mr Monckton's rising repayment mortgage scheme and other similar schemes. The BSA are likely to decide nextmonth whether or not they are willing to recommend to their members that societies should offer not merely conventional annuity mortgages but a family of mortgages including rising repayment mortgages. If the BSA do decide to go down this route I shall want to consider with colleagues whether under the 'right to a mortgage' Statutory Instrument that forms part of the right to buy scheme the Government should require public landlords to offer right to buy purchasers the choice between a rising repayment mortgage and an annuity mortgage. It is clear however that our opponents are seeking to discredit our low-cost home ownership and right to buy policies by pointing to the increase that has taken place in mortgage default - even though defaulters on building society mortgages only represent less than 1% of all mortgagors. We should need to take care to structure any statutory rising repayment mortgage in a way that would not create an increase incidence of default.

7. The right to buy, despite its considerable technical difficulty and the obstacles that some councils have tried to create, has already proved a major success. We are well on course to reach 1 million sales during the lifetime of the next Parliament. We can however take the right to buy further and faster, and I should be grateful for colleagues views on the proposals in this paper and on the timing of their implementation.



10 DOWNING STREET

From the Private Secretary

1 February 1983

As you know the meeting proposed for the Family Policy Group on 19 January was cancelled. The agenda for that meeting which included papers by the Secretaries of State for Social Services and the Environment, and by Mr. Mount on various aspects of policy towards the elderly, will now be taken at the meeting of the Group arranged for 0930 on 9 February. For the following meeting at 1700 on 15 February the Prime Minister has provisionally agreed that papers on assured tenancies and council house sales by the Secretary of State for the Environment should be discussed. I attach the first of these.

I am sending copies of this letter to John Kerr (HM Treasury), Imogen Wilde (Department of Education and Science), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Richard Bird (Department of Transport), David Clark (Department of Health and Social Security), Barnaby Shaw (Department of Employment), Mary Brown (Lord Privy Seal's Office), Alex Galloway (Chancellor of the Duchy of Lancaster's Office), Pamela Hilton (Overseas Development Administration), Richard Hatfield (Cabinet Office), Gerry Spence (CPRS), and for information to Muir Russell (Scottish Office) and Adam Peat (Welsh Office).

(Timothy Flesher)

John Halliday, Esq.,
Home Office

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Spave.

FAMILY POLICY GROUP : A PAPER BY THE SECRETARY OF STATE FOR THE
ASSURED TENANCIES AND BUILDING SOCIETIES POWERS ENVIRONMENT

1 The private rented sector now provides less than 14% of our housing, compared with about 90% in 1914, though this in part reflects the rise in home ownership from about 10% to 56% in the same period. The decline has been especially marked for families as opposed to single people. Fewer than 10% of all families now live in private rented homes. Those families that could not afford to buy, or did not choose to do so, have until recently been obliged to look almost entirely to the public sector for rented homes. By means of our low-cost home ownership programme (building for sale, improvement for sale, shared ownership and homesteading) we are giving the opportunity of home-ownership to at least some of those who thought they had no alternative but to rent. However, unless we can start recreating opportunities to rent in the private sector, we shall continue to make most of those for whom home-ownership is impractical (whether permanently or temporarily) wholly and unnecessarily dependent on the public sector for their accommodation.

2 The measures we took in the 1980 Housing Act - the introduction of shorthold, help for resident landlords and those letting their houses temporarily when they go abroad - have done something to release private accommodation for short term lettings. Where we need to make more progress is in providing more opportunities for long term renting from private landlords.

3 The basis for action lies in the assured tenancy scheme introduced by the 1980 Housing Act, under which landlords approved by me can let newly built homes at market rents wholly outside the fair rent legislation. The existing assured tenancy arrangements, described in more detail in the Annex, are beginning to show signs of success following the introduction of the crucially important provisions in the 1982 Finance Act under which landlords approved to let on assured tenancies are entitled to a 75% first year capital allowance. 57 companies and partnerships have been approved, or shortly will be when the necessary orders have come into effect, and 24 more are under consideration.

The Opposition have adopted a wait-and-see attitude, and have made no commitment or threat to repeal assured tenancies. Significantly the Select Committee on the Environment have unanimously suggested that there is scope for further development of assured tenancies. I propose we now expand the scheme as follows.

4 First we must widen the scope of the scheme so that it applies to newly improved and converted homes, as well as newly built ones. This would provide a substantial financial incentive for the upgrading of our rented stock - including rundown local authority estates, which could be bought and improved for letting as assured tenancies by the private sector. This would help us transfer some of the most problematic, and potentially expensive, local authority difficult-to-let blocks into the private sector as we are now successfully pioneering at Cantril Farm in Knowsley. To avoid an Opposition repeal threat which would wreck the scheme we would have to provide that existing fair rent tenancies could not be converted into assured tenancies, and we would have to define improvements and conversions so that the Rent Acts could not be evaded by trivial works. At the same time we would make some technical but neutral adjustments to the rent and security regime applying to assured tenancies, to make it better suited to widespread application among residential tenancies. (The present scheme is based on the 1954 Act business tenancy legislation.) All this would require primary housing legislation. We would also need a Finance Act provision to ensure that the extension of the scheme was matched by a similar extension of the existing capital allowances for assured tenancies.

5. Second, we must widen building societies powers so that they can hold land in their own right and therefore participate directly as landlords of assured tenancies. Building societies have the necessary resources, the public confidence and the political neutrality to make a major success of the scheme. The more progressive building societies should be receptive and the Building Societies Associations' own Report on the future of the building societies (the Spalding Report) proposes that societies should be permitted to own land. I have written to the Chancellor to emphasise the importance I attach to this. There would be an

opportunity to provide this power in the Building Society Bill which the Chancellor is already contemplating for the next session. This change will not only widen the impact of assured tenancies, but also help create a new image for the private landlord - a point to which the Centre for Policy Studies attached importance in a recent paper on private renting.

6 Third, we must encourage the development of private sector shared ownership through the assured tenancy scheme. Shared ownership is at present only viable if carried out through public bodies like local authorities and housing associations. Shared ownership is already possible under assured tenancies, but the capital allowance provisions do not at present apply to the rented element of shared ownership schemes. It would be most helpful if this extension could be made in the 1983 Finance Bill. Otherwise, shared ownership, which provides an excellent new means of bridging the gap between renting and owner-occupation, will remain available only in the public sector, thus requiring public expenditure to finance that portion of the dwelling not initially purchased by the shared owner.

7 These 3 changes are all perfectly feasible and will be profoundly helpful both to the furtherance of our housing policies and to getting a greater contribution from the private sector to the provision of both rented and shared ownership accommodation. I warmly commend them to colleagues for early introduction in the next Parliament with the extension of allowances to shared ownership dwellings being effected if at all possible in this year's Finance Bill.

ASSURED TENANCIES

1 The assured tenancy scheme in Sections 56 to 58 of the Housing Act 1980 permits bodies approved by the Secretary of State to let property at freely negotiated rents outside the provisions of the Rent Acts provided that building commenced on or after 8 August 1980 and it has not been previously occupied residentially except as an assured tenancy. Tenants of such properties receive a right to renew their lease on a similar basis to that currently afforded to business tenants under Part II of the Landlord and Tenant Act 1954.

2 Bodies seeking approval must satisfy the Secretary of State that the applicant is a reputable body who will manage homes for renting efficiently and with proper regard for the welfare of their tenants; and will also carry out satisfactorily their statutory and contractual obligations as a landlord. So far 57 bodies have been approved (or will be approved as soon as the necessary statutory instrument has come into effect). A further 24 applications are under consideration. The approved bodies consist of:

- 1 housing association sponsored by a building society
- 6 insurance companies (including subsidiaries)
- 22 builders (ranging from Barratt Developments PLC to small local concerns)
- 27 property development/investment companies
- 1 property development partnership

3 The great majority of the applications came after the Chancellor's budget statement in March 1982 announcing the introduction of capital allowances. The subsequent provisions in the 1982 Finance Act entitle approved landlords to first year allowances of 75%, and writing down allowances of 4%, on qualifying expenditure incurred between 9 March 1982 and 1 April 1987.

CONFIDENTIAL



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

28 JAN 83

Dear Tim

FAMILY POLICY GROUP: ASSURED TENANCIES AND
BUILDING SOCIETIES POWERS

/ I enclose a paper^x by my Secretary of State
on assured tenancies and building societies
powers for discussion at the meeting of the
Group on 15 February.

Yours sincerely
Roger Bright

R BRIGHT
Private Secretary

*x 20 copies
enclosed.*

Tim Flesher Esq

CONFIDENTIAL

PRIME MINISTER

Family Policy Group

We now have meetings arranged for 9 February and 15 February. The provisional agenda for 9 February is the one which was planned for the meeting cancelled last week and includes papers by Mr. Fowler and Mr. King on different aspects of policy towards the elderly and a commentary by Ferdie Mount on both. The provisional agenda which Ferdie and I have set up for the following meeting is based on papers on assured tenancies and council house sales by the DOE. Other possibilities include a paper by DES on wider use of school facilities and a report back by the Chancellor on the further research on husband and wife taxation commissioned at the last meeting of the Group. Ferdie is rather anxious that the DOE papers are taken during February in case amendments are needed to the Housing Bill; do you agree? If so, do you wish either of the other proposed papers also to be on the agenda? The Chancellor's paper might be a better candidate since that would enable the DES paper to be taken along with Sir Keith's other paper on planning for parent-hood at a later meeting.

25 January, 1983.

Home Off



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Secretary of State for Industry

8 December 1982

Caroline Stephens
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Caroline 8.9/12

FAMILY POLICY GROUP

I refer to your letter of 2 December to John Halliday.

2 My Secretary of State will be in the Far East on Wednesday on 19 January and hence unable to attend the Family Policy Group meeting.

3 I am sending a copy of this letter to recipients of yours.

*Yours ever
Andrew Coop.*

ANDREW COOP
Private Secretary

Home Off, Values of Society, Pt 2

DEPARTMENT OF INDIAN AFFAIRS
OTTAWA, ONTARIO
K1A 0S6



18 DEC 1982

COMMUNICATIONS SECTION



10 DOWNING STREET

From the Private Secretary

2 December 1982

Family Policy Group

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There will be a further two meetings of the above Group in the New Year. The dates are Wednesday 19 January and Wednesday 9 February. Both meetings will start at 9.30 am and last for 1½ hours. I would be grateful if you could note these two dates in your diaries.

I am sending a copy of this letter to John Kerr (HM Treasury), Imogen Wilde (Department of Education and Science), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Richard Bird (Department of Transport), David Clark (Department of Health and Social Security), Barnaby Shaw (Department of Employment), Alex Galloway (Office of the Chancellor of the Duchy of Lancaster), Michael Gillespie (Office of the Minister of State, Home Office (Mr. Tim Raison)), Richard Hatfield (Cabinet Office), Gerry Spence (CPRS) and Ferdinand Mount.

CAROLINE STEPHENS

John Halliday, Esq.,
Home Office.