

## “Home owning democracy”: What’s in a phrase?

A delegation from Swindon trades unions participated in the Parliamentary lobby on February 8th, in support of direct investment in Council Housing. One of the MP’s, Anne Snelgrove told us we live in a “home owning democracy”. What’s in a phrase?

South Swindon’s new Blairite MP Anne Snelgrove told a trade union delegation, participating in the Parliamentary lobby on February 8th, that we live in a “home owning democracy”. She was explaining why she was opposed to Councils building new Council housing.

“Home owning democracy”; the phrase rang a bell. Didn’t Thatcher use it? Yes, in her assault on Council Housing she boasted of building a ‘home owning democracy’. This was why she introduced the ‘right to buy’ through which Council housing was given away to tenants with a massive discount. It was a conscious policy designed to destroy Council housing estates as bastions of electoral support for Labour. How could people with ‘capital’ vote Labour? That a Blairite MP like Snelgrove can utter the phrase without the least embarrassment reflects the degree to which New Labour is rooted in the Thatcher legacy.

Historically, democracy was something which working people had to fight for in the teeth of resistance from the British rulers. Even with the passing of the ‘Great Reform’ Act of 1832 (1) only around one in five males had the vote, women none at all. The franchise conceded was based on the value of the property you owned or lived in. Universal suffrage strictly speaking was not conceded until 1928, and even then, the phenomenon of double voting was not done away with until after the Second World War. So home ownership was an important part of the pseudo-democracy which Britain’s rulers conceded piecemeal in order to hang onto their wealth and power.

No doubt Snelgrove does not mean by “home owning democracy” that those who do not own a home should not have the vote. Rather, it reflects the Thatcherite prejudices about ‘standing on your own two feet’, ‘welfare dependency’ etc, which Blair and his clones swallowed whole. We are all ‘Thatcherites’ now declared Peter Mandelson.

New Labour is the “Party of aspiration” we are told. One New Labour councillor in Swindon some years back spoke with disdain about the fact that there were some families who lived on the Parks council estate for three generations! Can you imagine somebody preferring to live in a Council house rather than owning their own home? Obviously they lacked ambition and ‘aspiration’.

But the labour movement historically had *collective* aspirations. It wanted to improve the lot of the working class as a whole. New Labour has been created by people for whom personal advancement is their driving aspiration. Obviously anybody who lives in council accommodation cannot possibly be a “success” or they would be able to afford to buy their own home.

One of the tenets of New Labour under Blair was that opposing the right to buy had been a big political mistake, from an electoral point of view. But the results of ‘right to buy’ were disastrous. In conjunction with what was effectively a ban on new Council House building (financially penalising Councils for building new stock), it created a massive shortage of Council Housing (2) and helped to drive up prices in the private housing market. The shortage forced people who might have been on a Council House waiting list, to buy their own house (often beyond their means).

Many people bought their home because it was an offer which was too good to be true. The mortgage was often lower than the rent. However, what some did not think about was the cost of maintenance. On the estate which I live on you can see decaying housing which people snapped up but which they did not have the means to modernise, next to Council Housing which has had double glazing and central heating fitted.

After the initial enthusiasm of purchase there was a high occurrence of repossession as new owners found themselves in financial difficulties, especially in the period of high unemployment.

Snelgrove might have no problem uttering the mantra of Thatcher. However, it is worth pausing to consider the consequences of her policy (for the younger generations she is only a figure out of the history books), many elements of which have been left intact by New Labour. The commentary of Ian Gilmour, an opponent

of hers within the Tory Party, throws an interesting light on her policy. The 'right to buy' was taken up, during Thatcher's reign by 1.5 million families. Although in favour of selling Council homes to tenants, Gilmour complained that the government was "more concerned with diminishing the role of local authorities than with the provision of affordable homes".

"In consequence, so far from doing much to relieve the housing shortage, which it had inherited, the government by its policies, in some places drastically exacerbated it."

Nicholas Ridley, the Environment Secretary from 1986-9 was "determined to weaken the almost incestuous relationship between some Councils and their tenants". A 1988 Housing Act encouraged the transfer of tenanted council estates to other landlords through 'Housing Action Trusts'. The government rigged the voting system by counting those who did not vote as voting in favour of transfer! As Gilmour comments, despite the rigged system, the great majority of tenants decided to 'continue to live in incest'. At the time many Labour Councils and Councillors helped to lead the campaign against what was known as "pick a landlord".

When Anne Snelgrove says that Housing Action Trusts would be better building housing she forgets this Thatcherite attempt to destroy Council Housing.

Gilmour continues:

"Homelessness is far from new, but the sale of Council houses, backed by financial incentives (Thatcher's favourite Council, Wandsworth, offered free holidays to tenants who bought their homes), required a high rate of council house building...or some alternative provision if it was not to lead to increased homelessness. Instead, local authorities were forbidden to spend more than a quarter of the revenue generated from council house sales on new homes and renovations. In so far as the government recognised the resulting problem of homelessness, it left it to be solved by the market. Thus the placing of homeless families in temporary accommodation by local authorities owed less to bad housing management, as the Thatcherites claimed, than to the financial restrictions that they themselves imposed onto the amount of money that could be spent on repairs to make empty properties inhabitable."

Because local authorities were prevented by the government from providing new homes, they had (in the words of the chair of the then Conservative controlled London Borough Association) to "spend a fortune" on temporary accommodation for the homeless. "This waste of resources", he said "completely frustrates our objective of achieving value for money and only adds to the appalling amount of human misery involved."

Ironically, for all the talk of "welfare dependency" what the Thatcher government did was to cut welfare to the poor and increase it to the rich. In 1979 subsidies to owner occupiers and council tenants were roughly equal. By the end of the 1980s the subsidy to council tenants had fallen to around £500 million, while the public handout to owner occupiers in the form of mortgage tax relief had climbed to £5.5 billion.

As a result of the policies of the Thatcher government, in the words of Gilmour, the council house became "more and more the preserve of the very poor". Before the 'right to buy' Council estates comprised a wide cross section of working class people. One of the consequences of the social catastrophe for which the Thatcher government was responsible, was the growth of mass unemployment. Thatcher's housing policy created conditions where the best stock was bought by those who could afford it. Whilst some people refused to buy out of principled opposition to the policy, probably the majority of those who could afford to buy, did so, thinking as individuals and ignoring the social consequences of their self-interest.

Progressively, Council housing comprised the poorest sections of the community. The absence of new building meant that very few people had a chance of getting accommodation under the points system by which priority was decided. Single parents became a large proportion of those in Council accommodation. The fact that only the most impoverished sections of the community tend to live in Council accommodation is reflected in the statistics. Up to two thirds of tenants receive benefit of one sort or another. Today many people who might have put their names on the list do not bother because the wait is so long.

It is ironic that a 'one nation' Tory like Gilmour could see the consequences of Thatcher's policy, but in

contrast the ideological creators of New Labour, in the words of Mandelson wanted to “move forward from where Margaret Thatcher left off”, leaving in place much of her policy.

Like all Blairites, Snelgrove appears to be prejudiced against social provision which was part and parcel of post-Second World War social democracy. She is opposed to Councils being given the right to build new stock. She believes in the ‘purchaser/provider’ split. She is convinced that private business is ‘more efficient’. Much better that the private sector provide housing, in her view.

Of course, Councils don’t have the resources to build Council Housing themselves. The one I live on was built by John Laing. But Council housing was considered necessary in order to tackle the problem of much of the population living in overcrowded and poor conditions. The history of private landlords in Britain is well known. “Take the money and do as little as possible to maintain the state of accommodation,” was the principle on which many of them operated. Council accommodation greatly improved the quality of life for millions of working class people.

The Blair government’s policy on housing was rooted in Thatcher’s programme. They set out to remove Council Housing from the scene. They set themselves the target of transferring 200,000 houses a year. For Gordon Brown, getting rid of Council housing was a function of managing ‘his’ national balance sheet. It would make the book look better, removing historical housing debt from public accounts.

However, council tenants have a different point of view. Despite all the blackmail and all the tricks, many of them have resisted the transfer of their housing. It is not because they are in love with their councils. Indeed dealing with bureaucracy is one of the downsides of being a tenant. They have opposed privatisation because being a council tenant gives them an affordable home and security of tenure. And stories of life before the big building programmes are passed down from generation to generation. The Racnmanite landlord was a common figure only 40 years ago (3) .

After the delegation from Swindon had met our two MPs, we walked over to the Defend Council Housing rally in Westminster Hall. Gerald Kaufmann, the former Labour Minister, was speaking on the platform. The contrast with New Labour MPs could not have been more graphic. Kaufmann was on the right of the old Labour Party, a member of the last pre-Blair Labour government. Yet here he was not only demanding that Councils have the right to direct investment in their existing stock, but spoke of the need to build new council housing. He reminded us that Tory and Labour governments used to compete about how many Council Houses they had built.

He confessed that when last in the government he had introduced legislation that had given Housing Associations the right to build public housing in conjunction with councils. But it was only conceived as a small niche. Never, he said, did he imagine that Housing Associations would end up as the sole provider of public housing.

Housing Associations are considered providers of ‘social housing’. But, said Kauffman, a lot of his constituency work involved dealing with problems which tenants had with Housing Associations, which are unaccountable organisations. The only ‘public housing’ now built is the result of collaboration between Housing Associations and Local authorities, often accommodation for elderly people. But the amount being built is miniscule.

Anne Snelgrove did express the view that there is a need for more ‘affordable housing’. But the reality is that the housing market will not deliver it. The government is prepared to offer mortgage relief to private owners. It has been prepared to write off historical housing debt for councils whose tenants vote to transfer to another owner. It offers funds for the lunacy of people buying half a mortgage, giving them the privilege of paying mortgage and rent at the same time!

Yet it still refuses to give Councils the right to build new Council Housing. It appears to be politically and ideologically opposed to such a thing. When Gordon Brown recently spoke about his belief in “21st century individualism” he more or less said that people will have to buy their own homes. Clearly he does not believe Councils should build any.

However, the housing crisis will not be addressed by the market or by government help for people to buy. Personal debt is at historically unprecedented levels. The crisis can only realistically be addressed by a new programme of Council House building. The government's housing policy is in a state of disarray. Their attempt to eradicate Council Housing has been defeated by the resistance of tenants and trades unions. The campaign for the right of Councils to start building Council housing needs to be stepped up.

### **Notes**

(1) The Prime Minister Grey explained: "The principle of my reform is to prevent the necessity of revolution... there is no one more dedicated against annual parliaments, universal suffrage, and the (secret) ballot than I am."

(2) Ironically by relying on 'market forces' the concentration of wealth and economic activity has created a situation where in areas like Swindon there has been a massive increase in the Council House waiting list, whilst in other parts of the country, which have suffered an exodus of jobs and population, Council accommodation lies empty, with insufficient 'demand' for it.

(3) Rachman was a notorious slum landlord in London.

Martin Wicks  
February 13<sup>th</sup> 2006