How can we end inequalities in housing?

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Housing features prominently in images of poverty, homelessness, poor health and education. Deprived estates and their problems of crime and employment are important in debates about poverty; and the poverty and savings traps are strongly affected by the operation of housing benefit and policies towards rents. In spite of this, housing has been nowhere near the top of the policy agenda and has increasingly been seen as part of the problem rather than a solution. Moreover, during the last twenty years, the housing policy agenda has actively operated to increase inequality. The preoccupation with the promotion of home ownership and the changed financial regime for social rented housing have contributed to a concentration of lower income groups in council and housing association property. The residualisation of these tenures and the active deregulation of the privately rented sector have left a more unequal housing system, and this is reflected in the concentrations of deprived households living in different parts of cities and towns.

At the end of the 1990s there is some renewed interest in housing issues. While housing itself is not at the top of the agenda, the concerns about health and education have increasingly identified housing as a key element affecting demand and performance in these areas. At the same time, the primacy given to policies to get people into the labour market and expand employability increasingly come up against the issue of residualised housing. At this stage in the development of thinking by the new Labour Government, there is little evidence that housing itself will rise up the political agenda. However it now features very strongly in the focus of the Social Exclusion Unit established in December 1997. Of the three priorities identified for the Social Exclusion Unit, two relate to housing: rough sleepers and the worst estates. This is a welcome development. However, in this paper I will argue that it is insufficient and that if the policy develops in certain ways, it could be inappropriate.

Background

The traditional debate about housing inequality focused on a series of circumstances which threatened life chances: unfitness, overcrowding, sharing, and lack of amenities. These circumstances have by no means been eliminated. However, enormous progress was made in reducing the number of households and dwellings affected by such circumstances. In governments' views this progress was significant: the post-war housing problem had largely been solved, and was now concentrated in specific localities, especially in the private rented sector, particularly affecting minority ethnic groups and low income households generally.

The view that the housing problem was largely solved is most immediately challenged by a new set of issues related to access to housing and appearing most dramatically in terms of homelessness. Although the quality of the housing stock had improved and general conditions were better, the change in the structure of the market made it difficult for some households to gain access to these good quality dwellings. Changes in the labour market and demographic processes, especially relationship breakdown, were prominent in the causes of homelessness. Lack of security of accommodation and action by landlords was also an important element. The continued deregulation of the private rented sector has made these problems of insecurity greater, while developments in the economy and in the home ownership sector have meant that more households in this hitherto secure tenure have found themselves becoming homeless. If the evidence about homelessness suggested the continuing need for housing investment and intervention, a new set of concerns relate to the declining condition of the older housing stock. Concerns about disrepair, dampness and condensation have applied to dwellings across the housing sector, especially in the owner occupied market, and there are fears that insufficient priority has been given to refurbishment and renewal of older housing. Again the deregulation of the private rented sector has had little impact in encouraging landlords to invest in properties or improve housing conditions.

By the end of the 1990s this agenda is not the only one affecting housing. A much greater reference is being made to the long term restructuring of the housing market and the increasing concentration of low income groups in the social rented sector and in the least desirable housing in that sector. Concentration of poverty and high turnover are more frequent features of the housing system and are key

elements of housing inequality with consequences for those in the sector. The decline of the private rented sector and the encouragement of owner occupation over a long period of time has changed choices of owner occupation in housing. Social, economic and demographic and perceptions in housing. Social, economic and demographic change have increased inequalities generally, and those with least bargaining power have increasingly been funnelled towards council housing and the worst estates in terms of reputation, stigma and dwelling type. The level of investment in this part of the market also means that the properties involved are less desirable and the services, schools, shops, transport, leisure and recreation available are often deficient. These services do not develop because of the lack of purchasing power and political clout of those living on the estates. Increasingly the social networks on these estates are inward-looking and do not help people to find out about, or access, opportunities.

Within cities, where you live increasingly affects life chances directly and indirectly and the concentration of poverty relates to the operation of the housing market. As the private sector declined, the lowest income groups in the community increasingly were concentrated in council housing. In 1954, some 21% of national assistance recipients were council tenants. By 1979, 61% of supplementary benefit recipients were council tenants. The Right to Buy policies of the 1980s served to residualise tenure even further. Recent research demonstrates that the spatial patterns emerging from these common processes vary in different cities. The major concentrations of deprivation are not just in council housing, and patterns differ between cities both in relation to the structure of those cities and their housing markets, and the different roles of different tenures. The implication of this is that local strategies are an essential part of attempts to deal with inequality in housing. National policy interventions will be imprecise and blunt instruments in dealing with very different circumstances in different places. At the same time local strategies cannot just be about council housing and need to be based on a proper analysis of where concentrations of poverty exist, and on the different problems in different tenures, which are experienced by different social groups.

This brings me back to the Social Exclusion Unit, with its initial emphasis on the worst estates, and to a wider literature which is pre-occupied with problems in the council housing sector and which makes no reference to problems elsewhere. It also relates to research carried out for the Department of the Environment, which identified 1,370 estates and appears to have informed the early thinking of government ministers. This research itself was deeply flawed and is an

insufficient basis for the development of a housing strategy or a strategy related to social exclusion. The literature on these issues focuses on a number of fallacies. There is an ecological fallacy that targeting areas is the most effective way of reaching deprived groups. The evidence suggests the opposite, and the arguments for targeting areas must relate to a belief that households living in such areas are more likely to experience prolonged social exclusion than those living elsewhere. There is a second fallacy which relates to housing tenure: this is the fallacy that everywhere the targeting of the social rented sector would involve targeting the most deprived groups. Again the evidence is that targeting the private rented sector and the lower end of the owner occupied sector will often be more important than targeting social rented housing. The tenurial fallacy grows out of a limited perspective perhaps dominated by work on the London housing market. A third fallacy relates to the place given to housing management, both in explanations of housing inequality and the concentration of poorer people in different tenures and parts of cities and in policy solutions designed to respond to this. Again, the thinking of the Social Exclusion Unit would appear initially to have been influenced by this. The key question is whether housing management initiatives on the worst estates will make a significant impact on housing inequality. On the basis of existing evidence we would be entitled to answer no. We have twenty years of well-intentioned initiatives to target the worst estates. The evidence is that their impact is short-lived, that there is a tendency to be overwhelmed by developments in the society and economy outside the estate and that interventions in one estate tend to move problems and people elsewhere. The approach does not remove the problems which underlie the worst estates relating to lack of choice, to poverty, to low demand and to high turnover.

The basic reasons why concentrations of deprived people emerge on particular estates are not addressed by management initiatives on a limited number of selected estates. Even a wider-based strategy for the housing tenure system as a whole at a local level is unlikely to have a sufficient impact.

Addressing issues of housing inequality, especially those related to concentrations of deprivation, requires an agenda which moves beyond housing management into housing finance and the structure of the incentives which funnel different households to different parts of the market. This relates to Housing Benefit and the poverty and savings trap, but also to wider systems of housing finance and subsidy. Effective engagement with problems of inequality in housing requires a

parallel engagement with regeneration of incomes and employment. However, it is important not to take this argument too far and to argue that getting jobs and incomes right means that the housing system will sort itself out. Issues about housing standards and access continue to need to be addressed through strategies for renewal and investment. At the end of the 1990s there is increasing concern about low demand for certain types of properties and high turnover is a factor affecting the success of schools and other services. Strategies are required to deal with poverty, to alter housing finances and to regenerate housing stock. There is a need for investment and renewal in the housing stock to replace the least desirable housing and to ensure that those on the lowest incomes are not excluded from the housing standards and neighbourhoods, which the rest of the population chooses to live in.

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