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LOW COST HOME OWNERSHIP IN GLASGOW:  
AN ANALYSIS OF RECENT HOUSING POLICY

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## SUMMARY

'Low Cost Home Ownership' represents a package of policy measures which are part of government housing policy to extend home ownership. The package was outlined by the Department of the Environment in a publicity brochure entitled 'A First Home' (1981) aimed at local authorities and housing associations. The different Low Cost Home Ownership measures have been pioneered and implemented at a local level as part of the government's wider strategy of privatising housing provision and consumption. This thesis is directly concerned with exploring the structure, substance and impact of Low Cost Home Ownership policy, in the context of Glasgow.

The thesis is based on three levels of analysis, linked through a focus on policy and the role of the state at national and local levels. First, a preliminary level of analysis evaluates the success of Low Cost Home Ownership policy in its own terms. It is suggested, for example, that the term 'low cost' home ownership is a misnomer in many cases. At a second level of analysis, the thesis examines the structure of policy, including the division between central and local levels of government, and the categorisation of policy as, for instance, housing or planning. A third level of analysis incorporates the substance of Low Cost Home Ownership policy. The underlying assumptions of the policy are analysed, particularly the tenure bias of Low Cost Home Ownership. Urban policy encompasses Low Cost Home Ownership policy measures in several cities, including Glasgow, and the thesis examines the functionalist objectives of population and socio economic

stability in the city. In addition, Low Cost Home Ownership policy in Glasgow is aimed at widening tenure choice and meeting housing needs. An analysis of these policy objectives requires the conceptualisation of 'choice' and 'need' in housing policy and housing studies.

The term 'low cost home ownership' (LCHO) is an amalgam used to describe a package of policy measures which are linked in their intention to extend home ownership down the income scale. Central government has promoted the package since 1980 (DOE, 1980, 1981) as a part of national housing policy, encouraging the uptake of different measures by local housing authorities, housing associations, private housebuilders and mortgage institutions. Although most of the measures were individually pioneered at a local level and later combined in the 'low cost home ownership' package, they represent an important trend in national housing policy. In combination with other elements, such as council house sales and the restrictions on capital expenditure on public sector housing, policy is moving towards privatisation and individual subsidisation.

Public expenditure cutbacks have particularly affected the housing sector since 1976 (Table 1.1). That is, they were occurring prior to the change in government in 1979 and the introduction of LCHO policy. Similarly LCHO can be related to the longer term trend of supporting home ownership and the growth in this tenure sector. However, LCHO is also a policy which emphasises tenure division in housing and which sees home ownership as a benefit to individuals and a solution to housing and urban problems.

Following the immediate post war expansion of council housing, the owner occupied sector has gradually increased to form the majority tenure on a national basis, although in Scotland, and

TABLE 1.1

Public Spending in Real Terms - a comparison

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	£ million (base year 1983-84)			
	79-80 outturn	83-84 outturn	85-86 plans	Increase between 1979/80 and 85/86 %
Defence	13,405	15,483	16,499	+23
Industry, energy, trade and employment	5,822	5,886	4,338	-26
Transport	4,761	4,352	4,142	-13
Housing	6,569	3,052	2,092	-68
Law and order	3,746	4,624	4,767	+27
Education and science	12,994	13,398	12,422	+ 4
Health and social security	12,933	14,755	15,065	+16.5

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Source: The Guardian, 23 Jan 1985

Glasgow in particular, council housing remains dominant. Yet changes in housing policy have been piecemeal. This is reflected in the 1977 Green Paper on housing policy (DOE, 1977; SDD, 1977), which introduced several LCHO measures, including building and improving for sale, as national policy proposals, and supported existing aids to the extension of home ownership, such as mortgage interest tax relief, whereas the initial intention of government was to review the entire housing finance system.

Nevertheless, the 1979 change in government has marked a significant intensification of housing policy in support of the private sector. The new monetarist approach to economic policy involved limitations on public expenditure and a commitment to the market. However, the consequences of macroeconomic policy have been felt in the housing sector in particular. Private housebuilding was discouraged by high interest rates when council housing was feeling the effects of public expenditure cutbacks. Owner occupiers are adversely affected by economic policy in the form of increasing unemployment and high mortgage interest rates, as well as a decline in real incomes. However, surplus funds have been made available for mortgage funding by banks and building societies. Thus a government which supported home ownership introduced further policy measures to encourage the tenure. These have included the Right to Buy, introduced for council tenants in 1980, and the LCHO package. Conditions were right for private sector involvement in the latter schemes. For example, building for sale provides land at a favourable price to a private developer, yet minimises development risks. Policy measures, including LCHO, have been introduced at the same

time as housing policy has shifted from a concern with the volume of housing produced to issues of quality and improvement. LCHO is also part of urban policy in many areas, seeking to improve the attractiveness of urban areas for people and employment.

Approaches in housing studies to the analysis of owner occupation have emphasised tenure differentiation and therefore consumption issues. Housing economists are concerned with choice and constraints in the housing market, together with the efficiency and effectiveness of policy. This approach isolates individual consumers and agencies. Institutional or neoweberian approaches similarly emphasise what are seen as autonomous social and economic groups. For example, Saunders (1981) elevates owner occupiers to a group with particular economic power and thus takes a consumption oriented viewpoint. Although neomarxist work attempts to relate changes in housing to wider processes in society, some neomarxists see housing policy which encourages home ownership as functional for those with economic power. It perpetuates dominant social relations. Ball (1983) argues that "state expenditure on housing has switched to owner occupation partly because the economically strongest households are there" (Ball, 1983, 15).

Despite the variety of theoretical approaches in housing studies, past research on LCHO policy has lacked theoretical focus and a critical input. Most research studies have taken the form of an empirical evaluation of LCHO policy measures. They concentrate on distributional issues with a superficial examination of objectives and effects, and can be categorised in three ways. First, studies



are carried out by those employed in policy making and implementation at various levels of government. Local authority research includes reports on homesteading by the Greater London Council (1982) and by Glasgow District Council (GDC Housing Department, 1983), and on improvement for sale and building for sale in Birmingham by Edwards (1982). A recent report at a national level by the Department of the Environment (Littlewood and Mason, 1984) justifies LCHO in a description of survey results with minimal, uncritical comment.

Second, academic research in this policy area is no less descriptive. This either evaluates the success of LCHO schemes in their own terms, for instance in work based on a survey of Liverpool build for sale schemes (Cambridge Department of Land Economy, 1980; Cullen and Turner, 1982), or describes policy trends (Forrest, Lansley and Murie, 1984), or examines the distributional effects and efficiency of policy (Whitehead, 1986). Third, other research has been undertaken by community organisations which are critical of the various LCHO schemes. For example, a study by the Joint Docklands Action Group and Southwark Community Development Project (1976) examined shared ownership, and a report by the Docklands Group (Joint Docklands Action Group, 1982) on building for sale, are particularly concerned with the local distributional effects of such initiatives, especially for low income groups resident in the London Docklands area.

The above studies of LCHO, in all three categories, have omitted an analysis of the structure and substance of policy. Not only is the policy process important, particularly in relation to the

implementation of national policy at a local level, but the basis of LCHO should also be questioned. For example, LCHO is expected to aid in the stabilisation of urban areas. Implicit links are made between, on the one hand, housing provision and tenure, and, on the other, urban problems and population and employment movement.

A more critical approach to the analysis of LCHO is essential. The thesis is therefore based on three levels of analysis which are linked through a focus on policy and the role of the state at national and local levels. At a preliminary level of analysis, the success of LCHO is evaluated in terms of the extent to which it fulfills its stated objectives. In addition to the question of scale, this raises issues of supply of and access to LCHO schemes. Issues raised include housing costs, household and house types, policy conflicts and the interests of different organisations in the housing market.

At a second level of analysis, the structure of policy is a focus for study. First, policy is structured at both national and local levels of government. Each has different objectives for different LCHO measures. The relationship between central and local government agencies and the local context for the implementation of policy are therefore important to examine. Second, LCHO, as an element of housing policy, cannot be seen in isolation from other aspects of housing policy and from other policy areas, in particular planning policy which regulates the use of land, and macroeconomic policies, which provide a context for, and constrain, the implementation of LCHO policy. Third, LCHO is spatially specific, both between

and within local authority areas. In Glasgow LCHO schemes are seen as part of a solution to the problems in declining urban areas or large peripheral housing estates. In addition, the implementation of LCHO measures will vary spatially according to, for instance, regional differentiations in house prices and the level of owner occupation in different areas.

The third level of analysis incorporates the substance of LCHO policy. This requires an 'examination of the basis of policy, the assumptions made and the policy outcomes. Underlying the policy is the concept of tenure and the benefits attributed to home ownership. The tenure bias of policy must be critically examined as well as the justification for the privatisation of consumption and individualised subsidisation in housing. Diversifying tenure and increasing home ownership is associated with the stabilisation of urban areas. In the case of population migration, this raises the question of optimal population levels and thresholds. The associated objective of social and economic stability revives the concept of social mix and the functionalism of urban policy objectives. In addition, LCHO policy involves the conceptualisation of the terms 'need' and 'choice', which are incorporated, for example, in the objectives of meeting housing needs and widening tenure choice in Glasgow. Intervention in the form of council housing provision is often justified on the basis of meeting housing needs, whereas private housing provision is associated with increased individual choice. However, these apparently contradictory objectives are incorporated in LCHO policy.

Therefore, these three levels of analysis form the basis of the thesis. Chapter two describes and discusses in some detail the origins and objectives of policy measures which are grouped under the term 'low cost home ownership'. The discussion is located in the context of recent housing policy, emphasising the role of the 1977 Green Paper on housing policy (DOE, 1977; SDD, 1977). The local origins of individual measures are examined, together with the policy package itself. Chapter two also discusses policy mechanisms employed in the implementation of the different LCHO schemes. National mechanisms for ensuring implementation include the housing finance system, through Housing Plans in Scotland (which are annual only in the case of Glasgow), and Housing Investment Programmes in England and Wales.

Section two comprises the conceptual framework of the thesis. It situates the examination of LCHO policy in a discussion of central local relations and the role of the state, and draws on different approaches to housing analysis and policy analysis. The concept of central local relations is important in discussing the differences between national policy intentions and local intentions, implementation and outcomes. Thus, in chapter three the relevance of the local state and the locality are examined in the context of LCHO policy. Chapter four links the role of the state to studies of housing policy and the approaches used in current analyses, ranging from neoclassical economic to neoweberian and neomarxist. The final chapter in Section two examines methodology in policy analysis. Drawing on material from the previous two chapters, chapter five discusses aspects of the structure

of LCHO policy, including the structural division between different categories of policy in practice, such as housing and planning, or the division between central and local government levels. It also emphasises the concept of implementation and its use in the analysis of LCHO. In addition, chapter five criticises the divorce of substantive issues from the policy process in policy analysis.

Section three provides a discussion of LCHO policy in practice and raises some major issues. Chapter six examines the different LCHO measures in detail, including their varied objectives and the extent of their implementation. Past research on LCHO measures is discussed and the case of Glasgow introduced. In particular, the author's survey of households in LCHO schemes in the city is discussed in relation to the results of other research studies of different LCHO measures. However, the relevance of comparative research is also examined. Some of the issues raised are dealt with in chapter seven. One theme surrounds household and dwelling characteristics. For instance, LCHO schemes provide predominantly small housing which caters for a proportion of the increasing number of small households. Housing costs and the related problem of mortgage arrears are also raised. The last theme in chapter seven is the role of the private sector and the support of LCHO policy measures by private agencies, including housebuilders and building societies in particular.

The major substantive chapters of the thesis are in Section four. In the light of the conceptual analysis of Section two and the

introduction to empirical work on LCHO in Section three, chapters eight to ten examine the basis of LCHO policy, its implementation and outcomes. The case of Glasgow and its LCHO initiatives are the main empirical focus. Tenure specialisation in policy and the debate over tenure in housing studies, first raised in chapter four, will be applied to LCHO in chapter eight, which examines the extension of home ownership through the policy measures. LCHO is also part of urban policy in Glasgow, and as such ignores the functionalist concepts embodied in certain policy objectives. In chapter nine these functionalist aspects of LCHO policy are demonstrated, particularly in objectives related to population balance and socio economic structure. Chapter ten examines the concepts of 'choice' and 'need' as embodied in housing policy and housing analysis. The discussion is applied to the case of Glasgow, in which LCHO policy seeks to widen tenure choice and to meet housing needs.

Finally, chapter eleven concludes with a discussion of more recent trends in national housing policy towards privatised consumption. The chapter discusses the analysis of the thesis and examines the way forward. For instance, the meaning of the home for individual household members is a theme taken recently by some housing analysts.

## CHAPTER TWO THE CONTEXT OF LCHO POLICY MEASURES: AN ELEMENT OF NATIONAL HOUSING POLICY

### 1. Introduction

LCHO is part of a continuing trend in national housing policy to encourage home ownership. Private housing provision and its consumption are positively stimulated through a variety of measures. At the same time, public sector housing is actively discouraged through disinvestment and rent policy. This is especially so since 1976, when International Monetary Fund directives necessitated public sector cutbacks, and since 1979, when a change in government led to monetarist policies and a commitment to privatisation. Meanwhile, the privately rented sector continues to decline. This chapter is intended to clarify the context of LCHO initiatives. After discussing trends in national housing policy which can be linked to LCHO, the development of the policy package will be described. Individual measures were implemented prior to the policy package of 1980, either through national encouragement, for example partnership schemes, or they have been pioneered at a local level, such as homesteading (although this scheme was derived from the United States). Details and origins of each measure will be examined, together with the mechanisms used by central government to encourage local implementation.

### 2. National housing policy

This section will describe the influences on housing policy at a national level. LCHO is part of an overall strategy of encouraging home ownership which has developed in the post war period, after

the initial public sector building boom, and which is now accelerating. The trend of increasing private sector provision and consumption, together with decreasing public sector investment and subsidisation, is characterised by the changing emphasis on tenure and by the changing definition of the 'housing problem' from quantity to quality, from need to choice.

#### The trend towards owner occupation

This trend is well documented elsewhere, for example, Merrett (1982) or Lansley (1979). However, it is necessary to demonstrate the trend briefly in order to link it with the introduction of LCHO policy. In the pre First World War period, public sector housing was provided only when private sector cheaper housing was insufficient. During the inter war years, the great majority of new housing in Britain (although not in Scotland) was built for owner occupation. A post war Labour government which saw a need for more housing together with the slum clearance programme prompted public sector housing provision on a wide scale. Private housing construction was allowed only under a local authority licence. Council housing became a major tenure together with owner occupation, at the cost of a decline in private renting (Table 2.1).

With a change in government in 1951 a further rise in owner occupation began. Private housing consumption was encouraged by mortgage guarantees (MHLG, Circulars 42/54 and 45/55) and through mortgagees gaining the ability to set interest payments against their tax liability (1952 Income Tax Act). Local authorities were able to grant 100 per cent mortgages in 1958. £100 million was lent to building societies



TABLE 2.1

Housing Stock by Tenure, 1914 to 1981, UK

	Owner occupied %	Local authority/ New Town rented %	Privately rented and others %
1914	10	-	90
1950	29	26	53
1960	42	26	32
1970	50	30	20
1980	55	32	13
1981	56	31	13

Source: DOE, Housing and Construction Statistics

from 1959 to 1962 for mortgages on pre 1919 housing. In addition, Schedule A income tax (on imputed rental income from home ownership) was abolished in 1963. Any barriers to private housing provision by speculative builders were removed by the abandonment of building licences in 1954 and the abolition of development charges (introduced in the 1947 Town and Country Planning Act). Constraints were placed on public sector housing. Council building was for redevelopment and special needs housing only, and rent subsidies to higher income council tenants were reduced (1961 Housing Act).

Government (and public) attitudes towards the division of housing into two tenures, home ownership and council housing, have been influenced by the erroneous assumption that public housing means public subsidy and that private housing does not. Forrest, Lansley and Murie (1984) note that the Conservative government, in its 1953 White Paper 'Houses: the next step', justifies the encouragement of private housing provision which "would lighten the ever growing burden of housing subsidies" (quoted in Forrest, Lansley and Murie, 1984, 9). Similarly, the 1963 White Paper on Housing states: "In a free country the householder must be prepared to meet the cost of his (sic) house where he (sic) is able to do so" (quoted in Merrett, 1982, 34). Subsidies to council tenants were recognised as such, yet mortgage interest relief on income tax was ignored.

Only in the 1977 Green Paper on Housing Policy (DOE, 1977) was tax relief recognised as a subsidy, as 'tax expenditure', and shown to be regressive. Although subsidies to both major tenure sectors were analysed in the accompanying Technical Volumes, the analysis

was used selectively in the main report in order to justify changes only in the council housing sector (Harloe, 1980, 29).

After a long period out of office, the new Labour government of 1964 had changed in its attitude towards public sector housing. Council housing was to meet specific needs such as slum clearance and housing those on low incomes. This was linked to the encouragement of home ownership through political necessity, that the Labour Party should not be associated with a particular tenure, and the premise that owner occupation was a 'social advance':

"Once the country has overcome its huge problems of slumdom and obsolescence, and met the need of the great cities for more houses let at moderate rents, the programme of subsidised council housing should decrease. The expansion of the public programme now proposed is to meet exceptional needs; it is born partly of a short term necessity, partly of conditions inherent in modern urban life. The expansion of owner occupation on the other hand is normal; it reflects a long term social advance which should gradually pervade every region" (White Paper, 1965, 'The Housing Programme 1965 70', 8).

This foreshadows the changing emphasis of policy from the quantity of housing produced to qualitative aspects, from needs to choice and preference. However, the change is channelled through policy which encourages one particular tenure, owner occupation.

Several measures introduced by the Labour government encouraged home ownership. Thus, for example, the 1967 Housing Subsidies Act brought in the option mortgage scheme to enable lower income households

to enter owner occupation. Although council house building continued and was not ignored by the subsequent Labour government of 1974 to 1979, since 1964, both major political parties have supported owner occupation as the primary tenure. Combined with the increasingly residualised role of council house production, towards special needs, together with the decline of the privately rented sector, policy has emphasised home ownership.

The Conservative government of 1970 to 1974 is characterised by a period of property speculation by developers and high inflation rates. These factors are associated with a rise in the rate of private housebuilding. Thus macroeconomic conditions, including house price inflation and rising incomes, together with aspects of housing and planning policies, encouraged private housing provision. Policy included advice to local authorities to release more land for private housebuilding, the abolition of the Betterment Levy (introduced in the Land Commission Act, 1967), and the halving of Selective Employment Tax. Although introduced for various reasons, these measures stimulated private housing development. The inflationary situation also gave rise to a government loan in 1973 to building societies as a temporary measure to prevent further mortgage interest rate rises, which were already at a record level, and to improve access to home ownership. The 1972 Housing Finance Act was intended to decrease rent subsidies to public sector tenants (later repealed by a Labour government) thus reinforcing the unacknowledged subsidy to owner occupiers. Local authority Low Start mortgages were introduced by the 1974 Local Government Act to encourage low income first time buyers.

An increasing reliance on private sector housing was shown in measures instigated by the Labour government of 1974 to 1979 which directly affected the private housing market. For instance, a loan of £500 million to building societies in 1974 was intended to increase the availability of mortgage finance and to stabilise interest rates. In the same year, mortgage interest tax relief was limited to £25,000 of a loan, thus reducing subsidisation to higher income home owners.

Forrest, Lansley and Murie (1984) identify four measures introduced at this time which had a longer term influence in encouraging low income owner occupation, and which they see as the root of current policies (although not necessarily the root of LCHO). First, local authority lending in 1974 to 1976 and the support lending scheme introduced in 1976 encouraged low income owners. After the collapse of the property boom, the intention was to provide other sources for mortgages but also to encourage down market lending to groups such as local authority tenants and those on the waiting list. Local authorities also lent on older, cheaper property and allowed more 100 per cent mortgages. That is, the lending criteria of building societies were seen as too stringent; these schemes were intended to aid those not normally able to obtain a mortgage. The Support Lending Scheme, in which local authorities nominate buyers to building societies, now includes council house buyers. Second, the House Purchase Assistance Act 1978 aided low income first time buyers by giving an interest free loan for five years and a bonus to those saving for two years prior to a loan. Third, the forerunners of equity sharing and building for sale, both of which now form part of the LCHO package, were encouraged (see below). Last, the Green

Paper in 1977 (DOE, 1977; SDD, 1977) emphasised improving tenure choice through the extension of home ownership.

The trend towards owner occupation in national housing policy is associated with parallel changes in the planning system. Thus the 1947 (Town and Country Planning Act) planning system emphasised public sector development through nationalising development rights and placing considerable restrictions upon private development. This system has been eroded from a positive role for planning to a negative role of regulating the private sector. As public sector development has declined, a recent planning issue has become land made available for private housebuilding. A succession of government circulars, from the early 1970's has advised local authorities to release land for private housebuilding, to ensure a five year supply, to release particular types of land for certain parts of the private housing market, and to carry out joint studies with the House Builders' Federation concerning the local supply of land for private housing. That is, the role of planning for housing has become that of facilitating private housebuilding, taking into account market forces rather than other traditional planning considerations, such as amenity. The developing role of private housebuilders in land available for private housing by local authorities has implications for several of the schemes included in LCHO, as discussed below.

Housing policy in the 1970's became less concerned with the number of houses constructed than with the quality of housing (after the 1969 Housing Act) and the balance between tenures. There was no longer a crude shortage of housing, according to the Secretary of

State for the Environment, in evidence to the House of Commons Environment Committee in 1981:

"we have the largest crude surplus ever and ... the essential challenge now is to make better use of the existing stock"

(House of Commons, 1981, 44, para 107).

Problems of shortages in particular housing types, and of housing quality, remained. The 1967 first national sample survey of housing conditions revealed the scale of unfitness. Despite over a decade of improvement grants to the private sector, the problems continue. Although the number of homes lacking basic amenities is falling, the problem of unfitness is increasing. The Housing Condition Survey for 1981 indicates that between 1976 and 1981 the number of dwellings (in England) needing repairs costing over £7,000 has risen by 45 per cent.

The amount of housing required to ameliorate the situation was estimated at 300,000 to 325,000 each year for a ten year period in England and Wales, in the 1977 Green Paper, but was obscured in that the figure was forecast only in an accompanying Technical Volume (Harloe, 1978, 11). However, owner occupation itself is seen to have a role; it "encourages a personal desire to improve and modernise one's home" (Secretary of State, Hansard, 15 Jan 1980, 1445).

From 1975 to 1983, improvement grants were widely available on older property, providing a subsidy to first time buyers, in addition to mortgage interest tax relief. Yet improvement grants to individual home owners have diminished since that time and a recent Green Paper (SDD, 1985) proposed further reduced government involvement. The

Paper proposes that repairs and maintenance should be the responsibility of the individual owner. However, as research by, for instance, Karn, Kemeny and Williams (1986) indicates, low income owners tend to live in older, poorer quality property and are less likely to be able to maintain their housing. Therefore, any extension of home ownership down the income scale has severe implications for the quality of the housing stock and for individual low income owners.

The apparent crude shortage of housing, together with growing incomes, noted above, has shifted the preoccupation in policy from housing needs to choice. Despite the problems of quality, owner occupation is seen as the preferred tenure:

"The 'fit' between household size and dwelling size has been a dominant issue and choice and preference rather than need and shortage have been the contemporary preoccupations. In relation to the two main tenures it is owner occupation which is regarded as the tenure of choice and council housing the tenure of constraint" (Forrest, Lansley and Murie, 1984, 27).

Owner occupation is seen by policy makers as a natural desire, to be encouraged. In addition:

"The widening of entry into home ownership for people with modest incomes will help solve housing problems which used to be faced by the public sector, as well as satisfying deep seated social aspirations" (DOE, 1977, para 7.69).

Private housing is seen not only as an answer to housing problems but also as a contribution to the solution of problems in urban areas. Since 1963 private housing has had a role in urban renewal:



"renewal of these outworn areas is a task for private enterprise and local authorities in partnership. The balance of participation has yet to be worked out but the task is so vast and complex that it is clear that it cannot be left to either agency alone" (House of Commons, 1963, 14).

A National Economic Development Office (NEDO, 1971) report saw the importance of private housebuilding in inner areas. It was hoped that home ownership would encourage social mix and engender concern over the quality of the environment. More recent policies link housing tenure with problems in urban areas. For example, the Green Paper on housing policy in Scotland states:

"In some areas, particularly in the cities, sharp social and geographical divisions have grown up between public rented and owner occupied housing. Public policies should, wherever possible, seek to reduce and not to perpetuate or strengthen existing barriers. For example, it seems desirable that public authorities and housing associations should begin to plan 'mixed' developments, i.e. to build or to rehabilitate a group of houses with a view to renting some and selling others. The sale of council houses in suitable circumstances or of houses acquired by authorities for improvement can be used judiciously to create a better balance" (SDD, 1977, para 4.12).

In this statement, problems in urban areas are reduced to a problem of tenure division within cities. The solution proposed is tenure mix, which is expected to engender social mix.

#### The development of Low Cost Home Ownership policy

Although the package of measures now known as 'Low Cost Home Ownership'

was not part of government policy until 1980, some schemes were introduced by the 1977 Green Paper. This was originally proposed as a major review of housing finance but resulted in an endorsement of the existing situation in relation to home owners. Mortgage interest tax relief was retained, although local authority housing finance was changed. Local housing strategies and Housing Investment Programmes in England and Wales, together with Housing Plans in Scotland, were to give a comprehensive and more flexible housing service related to the situation in each local housing authority. In practice, however, the system has allowed more central restriction on housing finance, and through, for example, the use of a local authority's capital receipts provides an incentive for the local implementation of LCHO schemes.

A major theme of the Green Paper was to facilitate the growth of home ownership:

"We must make it easier for people to obtain the tenure they want. More and more people would like to become home owners, or to enter the newer forms of tenure combining some of the advantages of home ownership and renting" (DOE, 1977, para 2.16).

Underlying this is the belief that the desire for home ownership is innate:

"A preference for home ownership is sometimes explained on the grounds that potential home owners believe that it will bring them financial advantage. A far more likely reason for the secular trend towards home ownership is the sense of greater personal independence that it brings. For most people owning one's own home is a basic and natural desire, which for more

and more people is becoming attainable" (DOE, 1977, para 7.03).

Various schemes were suggested as a means of widening access to home ownership. These included equity sharing, noted as having been introduced as a 'half and half' scheme in Birmingham (half buying, half renting). The Paper also suggested building for sale (including improving for sale), a scheme operated by local authorities for several years prior to 1977. Another means of widening access to home ownership noted in the Green Paper was cooperation between local authorities and building societies. All are forerunners of schemes now included in the LCHO package.

Since the change to a Conservative government in 1979, the trend towards home ownership in housing policy has accelerated. This is manifest in three ways. The first is the sale of council houses through the Right to Buy (1980 Housing Act in England and Wales, 1980 Tenants' Rights Act in Scotland). Second, the government continues to advise local authorities to release land for private housing development and to consult the House Builders' Federation (DOE Circulars 9/80 and 15/84 in England, and the use of the Land Register from the 1980 Local Government Planning and Land Act). Finally, since 1980, national government has developed the package of schemes to encourage growth in owner occupation, that is, Low Cost Home Ownership.

Local authorities are now responsible for a housing programme in their areas which includes housing both for sale and for rent. In relation to LCHO, the Minister for Housing and Construction has stated:

"It makes eminently good sense on both financial and social grounds for authorities to see low cost home ownership and the provision of homes for rent as complementary aims of their housing strategies" (Speech to the Institute of Housing seminar on the Housing Bill, 24 April 1980).

Six specific measures are included under LCHO (DOE, 1980). First, selling local authority land to private housebuilders for starter homes, including the sale of plots for self build schemes, is one measure. Second, building starter homes for sale on local authority land in partnership with private builders, with a discount on sale to new buyers is included. A third scheme is improving houses for sale. That is, council or housing association housing which is in disrepair, unfit or lacking basic amenities is improved for first time buyers. Fourth, selling unimproved houses for improvement by the purchaser, offering loans or grants for the purpose, is another measure, usually termed homesteading. Fifth, LCHO includes shared ownership, as an alternative to outright sale, that is, part owning, part renting, with an option to buy fully later. Last, the package is completed by local authority mortgage guarantee powers and down market lending by building societies, particularly for those unable to get a loan elsewhere on pre 1919 properties.

The importance of the package to the government's housing policy was emphasised by the Secretary of State for the Environment, who referred to LCHO as "central to our policy" and "helping those who would otherwise find the first step on the ladder too daunting" ('Housing', Sept 1980, 15-18). A publicity campaign, titled 'A First Home' (DOE, 1981) combined film and brochures in demonstrating

the schemes to local authorities, housing associations, and house builders. In addition, the House Builders' Federation and the Department of the Environment made joint regional presentations promoting low cost home ownership schemes in 1981/82. There were also local discussions between the House Builders' Federation and local authorities concerning individual sites (Hansard, 26 Jan 1983, col 467).

The six measures outlined above can be categorised in several ways. First, there are schemes which encourage housing production in the owner occupied sector, that is, houses are built for sale by house-builders, housing associations or local authorities. This category includes the sale of land, building for sale or partnership schemes. Another category of schemes consists of transferring housing from other tenure sectors to home ownership, as in improvement for sale by housing associations or local authorities, and in the sale of unimproved housing to individuals. Finally, other measures are aimed specifically at the consumer to aid in house purchase. These schemes include down market lending by building societies and mortgage guarantee schemes by local authorities, in addition to shared ownership which may be combined with any of the other measures.

Whitehead (1986) sees most of the LCHO measures as demonstration projects due to their relatively small scale implementation yet high profile in policy. They may influence the private sector to increase the production of low cost housing for sale. Both builders and building societies (through housing trusts) have become more involved in low cost initiatives. However, Whitehead implies that LCHO was an autonomous action by national government without any

prior interest by the private sector. In practice, housebuilders, through the House Builders' Federation, have been prime instigators and promoters of the schemes. Conditions were right for housebuilders and building societies to become involved. Housebuilders needed to minimise risks involved in speculative development; building societies and banks had surplus funds available for mortgage lending.

Similarly, MacLennan and Munro (1986) argue that LCHO was instigated at a time when the economic climate was adversely affecting entry to home ownership, with high interest rates on mortgages, declining real incomes and the threat of unemployment. Therefore, they suggest that the government needed to introduce measures to encourage first time buyers, in line with its ideological commitment to extending home ownership.

#### Finance and housing policy

Changes in public sector housing finance are associated with the trend towards home ownership in national housing policy, and therefore with LCHO. Since the first major public expenditure cuts in 1976, reductions in spending by local authorities have been part of national macroeconomic policy. However, since 1979, cuts have disproportionately affected housing expenditure. The decrease between 1979/80 and 1985/86 has been 68 per cent, the largest real decline in any sector of public spending ('The Guardian', 23 Jan 1985).

The Housing Investment Programme (England and Wales) and the Housing Plan framework (Scotland), introduced in 1977, were intended to increase local discretion on housing priorities in order to give a comprehensive local housing service. In effect, the system has centralised control over housing expenditure which is the primary constraint on local discretion. Midwinter, Keating and Taylor (1984) note that Scottish Housing Plans were intended to give local housing authorities more responsibility for taking local decisions. However, in combination with the Housing Support Grant system, the framework gave increased central control. Although Housing Plans themselves have not brought about central cuts in expenditure, the latter can be easily implemented within the Plan framework.

In England, Housing Investment Programme (HIP) allocations have been cut by more than 50 per cent from 1979/80 to 1984/85 (DOE statistics quoted in Forrest, Lansley and Murie, 1984, 38). The government cutbacks to local authorities through Housing Investment Programmes and Housing Plans have affected local capital programmes and have encouraged the implementation of LCHO schemes. Indeed, this is overtly expressed by the Minister for Housing:

"In recent years an increasing number of local authorities and new towns have been providing low cost homes to buy as well as rent. There have always been good social reasons for doing so. It can help to meet the needs of first time buyers while simultaneously reducing the pressure on rented accommodation. But there are now good financial reasons as well. The changes that have been made in the way expenditure

on home ownership schemes scores for HIP purposes mean that authorities will be able to promote home ownership with only a small, or in some cases a nil, call on their HIP allocations. These schemes invariably produce excellent housing value for limited HIP expenditure" (DOE, 1981).

The extent to which local authorities undertake LCHO schemes is now considered by central government when making HIP allocations (DOE circular letters to local authorities on HIP allocations, 15 Dec 1980 and 22 Dec 1981). Detailed information on the LCHO schemes to be implemented are required from each local authority in its HIP return. From 1983/84 a new section was added, HIP3 'Request for Capital Allocation for Low Cost Home Ownership Schemes', and the response to LCHO initiatives would be taken into account as a material factor in allocating resources. HIP in England and Wales is therefore not solely concerned with local needs but also with the implementation of central government policies and central control of resources. The latter is emphasised through the use of capital receipts in HIP allocations.

Capital receipts to local authorities from the sale of land for private housing and from the sale of dwellings have been allowed to augment HIP allocations from 1981. However, the percentage of receipts which can be used has diminished (Leather, 1983). Nevertheless, this rule has provided an incentive to local authorities. In order to spend more on public sector housing in the light of reductions in allocations, they require capital receipts.



From April 1981 to March 1984, in England and Wales, 50 per cent of receipts, primarily from council house sales, could be used to add to HIP allocations. This proportion was reduced to 40 per cent and, from April 1985, has declined further to 20 per cent. Therefore, the use of capital receipts is another method of reducing local authority expenditure on housing. Further, due to uncertainties over the amount of receipts and over capital and revenue allocations from central government, there has generally been underspending by local authorities. The amount of capital receipts from low cost home ownership schemes which can be used has remained at 100 per cent from 1981 to date. This includes "where a local authority has incurred capital expenditure on a low cost home ownership scheme and then disposes of the home or land immediately" (Housing Minister, quoted in 'The Guardian', 28 Feb 1985). Such schemes include a local authority buying property for resale, building for sale, or arranging a partnership with a developer. The retention of 100 per cent of receipts from LCHO schemes, as against 20 per cent of other receipts demonstrates the government's eagerness to promote such schemes.

Other aspects of housing finance have contributed to the encouragement of LCHO schemes. Following the 1981 riots in certain English cities, emphasis was placed upon the inner city and particularly on private housing schemes. In announcing an additional £55 million for Urban Programme funding, the Secretary of State for the Environment stated that he would have:

"particular regard to bids from local authorities in conjunction with the construction industry. ... I shall look especially

favourably on those joint public private sector schemes ... that offer the greatest private sector enhancement for every pound of public expenditure" ('The Guardian', 10 Dec 1981).

In addition, £5 million of the 1982/83 Urban Programme was allocated for LCHO schemes which were expected to attract additional private sector funding (DOE Press Notice 121, 6 April 1982).

Housing associations are also allowed to use capital receipts from the sale of dwellings for financing other schemes in the subsequent year as long as these would qualify for Housing Association Grant and are within the Housing Corporation Guidelines (Forrest, Lansley and Murie, 1984, 43).

The cuts in subsidies to local authorities have had the effect of necessitating increases in council house rents in many areas. For example, Forrest, Lansley and Murie (1984) note that rents have risen by 112 per cent from April 1979 to April 1982 when the Retail Price Index rose by only 50 per cent. This increase is another factor which encourages more people to consider owner occupation.

### 3. Low cost home ownership measures

Having dealt with the aspects of change in national housing policy which provided a context for the adoption of LCHO policy, we will now examine the background to the measures contained in the policy package, later taking each measure individually, pinpointing different aims and mechanisms for implementation.

Each LCHO scheme was derived independently of the 1980 package, and their origins can be traced in different ways. A major influence has been the United States experience. Karn (1984) notes that many of the approaches to housing policy have been derived in the United States, and Smith (1984) describes the encouragement of owner occupation in central city areas of the United States in the form of improvement of older dwellings for sale and homesteading, both of which have entered the British package of LCHO measures. In the United States, such schemes attempted to encourage property rehabilitation and improvement of older parts of the city through owner occupation. A similar aim of inner city improvement and encouragement of urban regeneration can be seen in their transfer to some British cities, such as Glasgow. However, gentrification, that is the process of individual ownership and improvement, and the 'back to the city' movement, appear to have had greater impact on United States cities than the publicly instigated schemes of rehabilitation and homesteading.

Individual schemes now included under LCHO each began at a local level in the UK. Each has been implemented as part of a local authority's housing or planning policies. Thus the schemes, in different areas, have been instigated for a variety of local reasons. For instance, joint housing developments are not recent. Such schemes have occurred throughout the post war period. However, they have primarily taken place in suburban locations and new towns. It was only in the late 1970's that joint venture schemes, similar to their present form, were implemented, particularly in inner city areas. Liverpool, under a Liberal administration,

introduced its 'Build for Sale' scheme by asking for tenders from private developers for a licence to build private housing on council land. The first scheme was at Stonefield Road in 1976 (Cullen and Turner, 1982). The city council's objectives were varied, ranging from increasing housing provision and widening tenure choice to aiding inner city regeneration (Grosskurth, 1982). Birmingham City Council has also pioneered two LCHO schemes. The Purchase and Improvement Mortgage Scheme (PIMS) was introduced in 1978, as was the sale of inner city sites to private developers. The former scheme involved the city in repairing and improving pre 1919 houses and offering them for sale with 100 per cent mortgages to council tenants or waiting list applicants (Edwards, 1982), and is the equivalent of improvement for sale under the LCHO initiative. As in Liverpool, the aims of the schemes were to encourage home ownership in the inner city and to fulfil both housing and Inner City Partnership Programme objectives.

The measures can be traced through national housing studies, primarily related to urban areas. For example, as early as 1963, the White Paper on Housing recommended joint schemes between public and private sectors, as quoted above. The concern for 'inner city' problems, particularly in planning policy is interlinked with the origins of LCHO measures in housing policy. Housing improvement and housing development in inner areas has become an important aspect of urban renewal policies, as in Birmingham and Liverpool. At a national level, the concern with urban areas continued with the National Economic Development Office report (1971) which was set up to examine the use of private resources

in the replacement of older housing in cities. This identified benefits of providing lower priced private housing in terms of catering for some council tenants able to enter owner occupation, in encouraging 'social mix' in urban areas, and improving environmental quality. Although the report identified constraints on private housebuilding in inner areas, these could be overcome by government intervention and changes in the housing market.

Three LCHO schemes involve increasing the supply of low cost housing for sale. First, a local authority can sell land to private developers, probably requiring the provision of starter homes, or that particular groups of buyers should be given priority in the eventual sale of the houses. In this case, all capital receipts from the sale of land can be added to a local authority's HIP allocation, although land may be sold at its historic cost, rather than market value, thus subsidising the developer, and reducing benefits to the council in the form of capital receipts. Plots of land can also be sold to individuals for self build schemes in the same way.

The second element is building under licence whereby a local authority forms a partnership with a private builder who contracts to build houses on land remaining in the ownership of the local authority. Upon sale, the freehold is conveyed to the individual house purchaser. This scheme is aimed to give a local authority more control over the type of housing provided, its price, and the nomination of the buyers. It also takes any risk of speculative development away from the housebuilder, since the local authority

may guarantee any unsold properties. Discounts from market price can be offered by the local authority to the purchasers and, if mortgages are provided by banks and building societies (that is, not by the local authority itself) the HIP allocation, in England and Wales, will gain by 100 per cent of the capital receipts from the scheme.

On a smaller scale, building for sale by a public authority is the third component. The authority contracts out the construction on its land, thus retaining the financial commitment, unlike the partnership scheme, above. This type of build for sale scheme has been used on sites which are particularly unattractive to private developers in terms of location or development costs, for example, in some derelict inner urban areas.

The major incentive towards the adoption of these schemes has been financial. At a time of declining allocations from central government, the capital receipts involved contribute to the local authority's housing programme. Yet they provide only short term financing and reduce the authority's land stock for future housing development. Other measures have also encouraged the implementation of LCHO schemes. As noted above, the House Builders' Federation is now involved in local authority land availability studies for the development of private housing. These studies, together with the Land Registers of publicly owned land have made developers more aware of potential private housing sites. The Secretary of State, using the 1980 Local Government Planning and Land Act, may require disposal of Land Register sites by public authorities.

Urban Development Grants in, England and Wales, and LEGUP in Scotland are now available to the private sector to make use of redevelopment sites and may be used for housing purposes.

Improvement for sale and homesteading schemes are two LCHO measures which increase the supply of housing for sale, not by adding to the housing stock, as do the above schemes, but by transferring housing from other tenures. Improvement for sale may be carried out by a local authority or a housing association. It may take the form of the improvement and sale of acquired, older properties or of empty dilapidated council housing. This type of scheme, pioneered as PIMS in Birmingham (Edwards, 1982) has been encouraged by legislation. The 1980 Housing Act in England and Wales introduced a system of subsidies to local authorities and housing associations which implement such schemes. Housing associations are funded through Housing Association Grant (HAG) for the difference between the costs of acquiring and improving each house and the market value upon improvement, to a limit of £7,500 (£10,000 in Greater London). Local authorities are able to receive only a proportion of the difference up to a limit. In both cases, discounts may be offered to buyers, if costs allow. As in the sale of land, partnership, or build for sale schemes, improvement for sale by local authorities brings receipts which are entirely available to add to HIP allocations. However, this type of scheme requires careful planning if it is to be financially viable. If the net costs per house are above the limits then the balance has to be met from the rate fund and will be charged against HIP allocation. The Green Paper on Home Improvement in Scotland (SDD, 1985) proposes

extra subsidies to developers for improvement for sale schemes.

Homesteading is another measure which involves the improvement of housing stock while transferring it to the owner occupied sector. In addition to its promotion as part of the package in 'A First Home' (DOE, 1981), homesteading is encouraged separately in 'Homesteading, the three in one housing gain' (DOE, 1982). The title refers to three objectives, the use and improvement of empty dwellings, saving buildings from demolition and providing a low cost entry to owner occupation.

Homesteading is a term for the individual purchase and improvement of derelict housing belonging to a local authority. The 1980 Housing Act enables local authorities to offer various inducements to purchasers: improvement loans and grants, mortgage guarantees to building societies and banks, discounts of 30 per cent to priority groups and the waiving of mortgage interest payments for up to five years. Similar inducements are available in Scotland. For example, in Glasgow, the City Council has operated a homesteading scheme in which council tenants or those on the waiting list could buy a dilapidated council flat at a discount from the estimated market price which it would reach when improved. The difference was available in grants and loans to enable the purchaser to improve the property within a specified period of time, and mortgage interest payments were waived for a year. Homesteading in Glasgow was justified by the Council in that it saved some housing from demolition and widened tenure choice in an area consisting overwhelmingly of council housing.



Shared ownership may be combined with any of the above schemes. It is an attempt to reduce the cost of buying by enabling partial ownership as opposed to outright sale. The council or housing association retains part of the equity, on which rent is paid. A mortgage is taken out by the purchaser on the remainder of the equity. The current system has a complex, although recent, history, which began with coownership housing societies under the 1964 Housing Act. The housing was jointly owned by members of the society, who paid a rent equivalent to part of the collective mortgage and received a share in the capital appreciation when they moved. However, with rising costs, these schemes disappeared by the mid 1970's.

In 1976, the Housing Corporation initiated three experimental schemes. Coownership involved a housing association retaining the freehold of the properties. Part of the capital cost was funded by Housing Association Grant and would remain in social ownership. Those tenants who moved out of the scheme would receive 50 per cent of the capital appreciation. A second scheme was community leaseholding which enabled the individual to purchase a fixed 50 per cent of the equity, while paying rent on the remainder. Another scheme was limited to the elderly. A 60 year lease would be available through a 30 per cent government grant to the housing association who would retain the freehold and manage the sheltered accommodation, while 70 per cent would be paid by the elderly person, probably as a lump sum from a previous house sale. Rent would be payable on the 30 per cent.

These experimental schemes were succeeded by the shared ownership scheme introduced through the 1980 Housing Act. This enables 'staircasing', that is, purchasers can increase their share of the equity in stages, leading to full ownership. Rent is payable on the proportion remaining in local authority or housing association ownership. However, maintenance of the property is the sole responsibility of the purchaser.

'Do It Yourself' shared ownership (DIYSO) was introduced in 1983 (Housing Corporation, Circulars 3/83 and 6/83) extending shared ownership to a property found by a purchaser who would not normally be able to afford to buy. A housing association gives priority to first time buyers, housing waiting list applicants and those moving to the area for employment reasons. However, the scheme has been discontinued.

Mortgage guarantee powers were extended in the 1980 Housing Act allowing local authorities to offer indemnities to mortgage institutions for certain areas of older housing or for certain purchasers. This measure was aimed at enabling more households to obtain mortgages on a wider range of housing. It was intended to help people who would not normally qualify for a building society mortgage at a time of a decrease in the availability of local authority mortgages. Building societies in particular were encouraged to lend on pre 1919 properties in inner urban areas.

This chapter has demonstrated the variety of schemes and the different mechanisms brought together in the LCHO package. Despite their various origins and the diversity of aims, LCHO measures are linked by the overall government objective of increasing home ownership. The above discussion concerns the policy context for the introduction of LCHO. Section two examines the conceptual context, commencing with the theme of central local relations, proceeding to approaches in housing analysis, and finally discussing policy analysis.

CHAPTER THREE    CENTRAL LOCAL RELATIONS AND THE ROLE OF THE STATE  
IN LOW COST HOME OWNERSHIP POLICY

1. The importance of central local relations

Central local relations are relevant to a discussion of LCHO in the context of housing and planning policies for three reasons. First, LCHO is part of both national and local government housing policies. Central government policy, in the case of LCHO, relies on implementation at a local level. Local housing policies are influenced by national directives or incentives, or they reflect local initiatives. The local level thus needs to be examined as a locality, in which the local historical, social and economic situation provides a context for local housing policy. Another way of examining policy at the local level is in terms of the relationship between central and local government levels. Second, central local relations and the importance of the local level are relevant to a discussion of change in housing policy. For instance, individual elements of LCHO were first initiated at a local level in different local authorities before being taken up nationally as a policy package. Third, the structure of LCHO policy is provided by the relationship between central and local levels of government. In addition, this relationship may change due to central government measures to restructure the local level, for example, by increasing central control over the activities and resources of local authorities.

In this chapter the term central, or national, government is used in the sense of parliamentary and ministry political and admin-

istrative power (after Miliband, 1969), including quangos, such as the Housing Corporation and the Scottish Development Agency. Local government includes institutions at a subnational level, including regional, county and district councils covering specific areas. The local housing authority is a district council (or London Borough or New Town) responsible for local housing policy and expenditure within national constraints. The term local state will be used in a more theoretical way to discuss the form of the state at a local level (following Dickens et al, 1985).

Different approaches in the literature on central local relations and the local state will be discussed as a heuristic device in order to bring out themes of relevance to LCHO policy. I concentrate on, first, conventional approaches, such as Rhodes (1983), within the confines of policy analysis and organisational theory and, second, radical social theory which attempts to specify the content of local state, including Saunders (1982) and Duncan and Goodwin (1982). The latter part of the chapter will examine local variations and different contexts of housing policy. The particular example of recent housing policy in Glasgow will be used.

A wider discussion of the relationship between central and local government levels will focus on the restructuring of central local relations, especially since 1979, and the role of housing policy and LCHO measures, within the apparently contradictory trends of, first, 'rolling back the state', illustrated by the privatisation of housing consumption in, for example, council house sales, and, second, increasing central control, shown in the regulation of

housing finance, as in the use of capital receipts derived by local authorities from various LCHO initiatives. However, rolling back the role of the local state aids in the process of increasing central control.

## 2. Methodological approaches

Conventional analyses of central local relations work within and accept the institutional framework of government (Dunleavy, 1980), whereas radical social theory perspectives examine the nature, role and functions of the local state. The latter theorises the context of capitalism as a distinctive set of socio economic and political apparatus, whereas the former takes capitalism as given. Boddy (1983) notes a dichotomy. The former approaches tend to be empirically detailed, yet theoretically weak, focussing on the institutions of government to the exclusion of the social and economic context; the latter are concerned with the concept of the local state and the specificity of local government, but are empirically weak, developed from particular issues and expanded into general models.

### Conventional approaches to central local relations

Dunleavy's analysis of local politics refers to work within this still dominant approach as "concerned with the same goals and operating in the same ideological frame as local government itself" (Dunleavy, 1980, 6). It also concentrates on:

"an extremely restrictive debate about the wider autonomy of local political institutions, conceived exclusively in terms of relations between local authorities and central

government departments" (Dunleavy, 1980, 6).

Although conventional literature on central local relations has transcended the 'partnership agency' debate of the 1960's (Rhodes, 1980, 270), which included discussion of increased centralisation (control) at the cost of the erosion of local financial independence (see, for example, Sharpe, 1962, and Hartley, 1971), it still focusses on government institutions to the exclusion of the context in which they operate (Boddy and Fudge, 1980). While Rhodes (1980, 1983) and Stanyer (1976) are leading critics of the former approach, they remain within the organisational/institutional mould. The focus is upon local discretion and autonomy. For example, Stanyer (1976) disputes, on an empirical basis, the claims of increased central control. Although the potential for control exists (Rhodes, 1980), Stanyer regards influence as more important.

Rhodes (1980, 1983) goes beyond what he calls the 'conventional critique'. He believes that the critics have also discarded some valuable insights of the conventional literature, which he terms the 'forgotten dimensions' of central local relations. Rhodes also notes that the critique has concentrated on financial aspects of central local relations, simply because this was the focus of the conventional approach. He questions the critique's emphasis on local authorities as separate political systems, noting that "any satisfactory analysis of central local relations must explain compliance as well as non compliance with both central advice and statutory based instructions" (Rhodes, 1980, 273). The 'conventional critique' has not redefined the limits of the debate.

However, Rhodes' attempt to widen the debate is characterised by a concern with organisational efficiency within and between levels of government in his 'bargaining model' of central local relations (Boddy, 1983).

Recent work is characterised by that emanating from a Social Science Research Council panel on central local relations, which includes research by Rhodes. Saunders (1982a) criticises this literature as adopting a one sided approach, viewing central local relations from the centre, particularly in the concern with questions of 'ungovernability' and 'policy implementation' (SSRC, 1980).

The Social Science Research Council panel followed two national reports on central local relations: the Layfield Committee report on Local Government Finance (1976), and the Central Policy Review Staff report on Relations between Central Government and Local Authorities (1977). The former emphasises accountability for local expenditure and local autonomy. The latter concentrates upon the central government role in the relationship; it stresses the need for learning about local authority activities and the pattern of central local relations, since these are 'ambiguous, confused and complex' (Rhodes, 1980, 275).

Boddy (1983) criticises conventional approaches, particularly recent work under the auspices of the Social Science Research Council panel, including Jones (1980) and Rhodes (1983), from the point of view of radical social theory on the local state. First, in an unquestioning acceptance of the organisational structure



and central local relations, the nature of the state and class relations are omitted. Second, Boddy identifies the concentration on the goals of efficiency and rationality as reducing problems of politics to those of administration. There is no questioning of the interests served by the organisation. Third, the wider social context within which organisations operate is ignored or taken as the 'environment' within which the organisation operates. Last, the organisational structure is seen as value free and is not analysed in relation to its societal context.

However, Boddy also notes the developing radical critique within organisational theory. Although concentrating mainly on the firm, some theorists, such as Heydebrand (1977) and Benson (1977), have included the public sector. Williams (1982) also discusses the possibilities of this literature in examining "the processes operating within organisations and the relationship of these to 'external' forces" (Williams, 1982, 104).

#### Radical social theory and the local state

Radical social theory approaches to the local state derive from general theories of the state, applied to the local level. For example, Cockburn (1977) sees the local state as an arm of the state in capitalist society; the local state performs particular functions which aid the process of capitalist reproduction. Saunders (1979, 1981) uses different approaches to the theorisation of the state to discuss the function of the local state in collective consumption. However, Duncan and Goodwin (1982) criticise these two approaches in particular as concentrating on functions and

institutions rather than the social relations which give rise to them.

Cooke (1983) is also concerned to analyse the relationship between central and local state:

"to establish the extent to which the functions in which each engages differ due to the internal differentiation of the state apparatus itself, or due to differentiation in the external pressures placed upon them, or some combination of internal and external factors" (Cooke, 1983, 180).

He divides approaches to the local state in terms of a threefold classification of the debate on the capitalist state. Thus class theories (Miliband, 1968; Poulantzas, 1973, 1975) identify the state's function as the resolution of class conflict; Cockburn (1977) is linked with this approach by Cooke, and we can add Corrigan (1979) who specifies the local state as an arena for class struggle in the locality. A second group consists of crisis theorists (O'Connor, 1973; Offe, 1975; Habermas, 1976) who analyse the state in terms of crises in late capitalism. Cooke associates Saunders' (1979, 1981) definition of the function of the local state with the latter theorists. We may also include Dear (1981) who sees the role of the local state as 'conflict diversification', having the effect of regionalising financial, rationality and legitimisation crises. The final category of approaches used by Cooke is the capital theoretic in which the state functions to reproduce capitalist social relations, for example, state derivationists such as Hirsch (1981). Cooke (1983) himself together with Duncan and Goodwin (1982) advocate this approach in theorising the local

state.

I will discuss Saunders' approach as an example of the development of a theory of central local relations from a radical viewpoint and as of relevance to the themes of this chapter. Saunders, from a neoweberian perspective, has concentrated on the theme of central local relations in government. He criticises Duncan and Goodwin (1982) for analysing local struggles as class struggles, despite their recognition that "local struggles express the peculiar conditions of different localities at different times" (Saunders, 1982a, 57). Saunders argues for the functional specificity of local government as the provision of social consumption, which allows him to claim a degree of autonomy at the local level.

A 'dualistic' theory of the local state is developed by Saunders in a series of contributions to the subject area (Saunders 1981, 1982a, 1984b; Saunders and Cawson, 1983). This comprises an ideal type with four related dimensions. The first is organisational, between levels of government, central or regional and local. Second is the functional dimension, between areas of state intervention, that is, social investment, which tends to be at a national level, and social consumption, at a local level. The third dimension is political, between modes of interest mediation, with corporatism at the national level and competitive politics locally. Last, Saunders defines the ideological dimension, between principles of political and social organisation; private property rights are important at the central level and citizenship rights at a local level.

Although Saunders (1982a, 58) qualifies the purpose and use of his ideal type:

"I do not set out to describe central local relations in all their bewildering complexity and diversity, nor to construct a model which replicates them for neither of these approaches will help to organise our knowledge or facilitate the development of our theoretical understanding",

he thereby recalls the current concerns of conventional approaches to central local relations and attempts to go beyond these empirical observations. Yet Healey (1983) criticises Saunders on three counts. First, she believes the division masks the distinctions within and between production spheres. In opposition to Healey's point, it can be argued that Saunders over emphasises the distinction between production and consumption and stresses the independence of the consumption sphere. Second, Healey claims that the corporatist and competitive modes of mediation do not show the extent of different interests. Third, Healey is particularly concerned with the work of local planning authorities, in which consumption and production spheres overlap (thus she accepts Saunders' distinction), although she notes that Saunders did not intend to apply his categorisation to state regulatory activities, such as planning. In land use planning, production interests are articulated at a local level in, for example, the development of a site for private housing. We can also argue that housing policy, in the form of LCHO measures at a local level similarly transcends the functional division between production and consumption spheres contributing to the tensions within LCHO policy and in central local relations.

Boddy (1983, 124) also questions Saunders' dualistic model, in terms of the extent of competitive politics at a local level. He claims that local elections tend to follow national political trends. Yet this generalisation cannot be applied to Scotland, where (the) Labour Party have<sup>s</sup> gained in strength at the same time as the Conservatives have done so nationally. Saunders' claim of local autonomy is queried by Boddy in the evidence of current financial constraints on local government, as well as administrative and legal limitations. Boddy notes empirical evidence which questions the functional division used by Saunders in the extent to which social consumption is a local concern and social investment a regional or national matter.

In addition, Boddy is critical of corporatism as a general model. The involvement of corporate interests in national politics is likely to be partial and a matter for empirical investigation. Yet it may be relevant to propose that national level intervention in production is more likely to be influenced by corporate interests than local consumption policies. For example, Saunders' model may be appropriate in a discussion of LCHO policy. The national issue of land availability for private housebuilding is a particular case. Negotiations between corporatist interests and central government have produced national intervention. The House Builders' Federation, an important pressure group at the national level, has been brought into the process of local allocations of housing land, through national policies recommending joint House Builders' Federation and local authority studies of residential land availability in England and Wales (DOE Circular 9/80, superseded by

Circular 15/84). The issue of land availability and the private sector is further discussed in chapters five and seven.

Cooke (1983) is critical of approaches to the local state which specify a functional separation, as Saunders does, between production relations at central state level and reproduction (consumption) at the local level:

"functional separation of this kind, in which one set of social relations is conceived as being represented at one level of the state and another appears elsewhere, is both empirically and theoretically mistaken since it produces a mis-specification of the local state and a reductionist view of class relations" (Cooke, 1983, 183).

Thus Cooke dismisses approaches to the local state within his categorisations of class and crisis theories. They cannot specify, and so cannot theorise, the local state.

An alternative approach is that of Duncan and Goodwin (1982). They advocate a state derivationist approach in asserting that the capitalist state is "a historically conditional form of the capital labour relation" (Duncan and Goodwin, 1982, 162) and that the levels of the state separate social, including class, relations from political relations through citizenship. Duncan and Goodwin see the concept of the local state as an aid to the analysis of central local relations in two ways:

"first of all in turning emphasis towards the social relations of the capitalist state and secondly, in linking these to the importance of social consciousness in creating historical

change" (Duncan and Goodwin, 1982, 166).

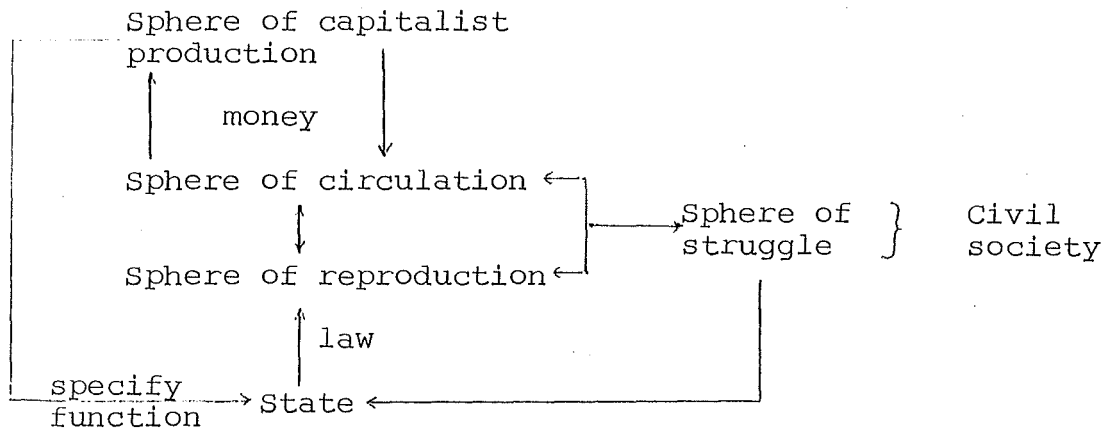
However, Cooke makes two criticisms of this approach. First, Duncan and Goodwin do not materially explain 'consciousness' in the context of a concept of civil society (defined as social relations outside of production, where reproduction occurs). Second, Duncan and Goodwin over emphasise the constitution of the individual through the law. The coercive element of the law is important in exchange relations between seemingly equal individuals (since a company is an individual under the law). Although Cooke, following Gramsci (1971), recognises the importance of civil society and struggle in the sphere of reproduction in specifying the local state, he nevertheless (along with Duncan and Goodwin) sees the labour market and the sphere of production as the most important relations. Figure 3.1 from Urry (1981b) indicates the connections between the state, production and civil society. It has been used more recently by Dickens et al (1985) to include the local state and localities (partially reproduced in Figure 3.2). Their approach to localities in relation to housing policy is discussed more fully in chapter five.

### 3. Local variation

Most conventional approaches to central local relations see local variation and discretion in terms of the implementation of national policy ('top down' approach) or the power relationship between central and local government levels, incorporated in, for example, Rhodes' (1980, 1983) bargaining model. They do not look beyond government organisations into the locality and variations between

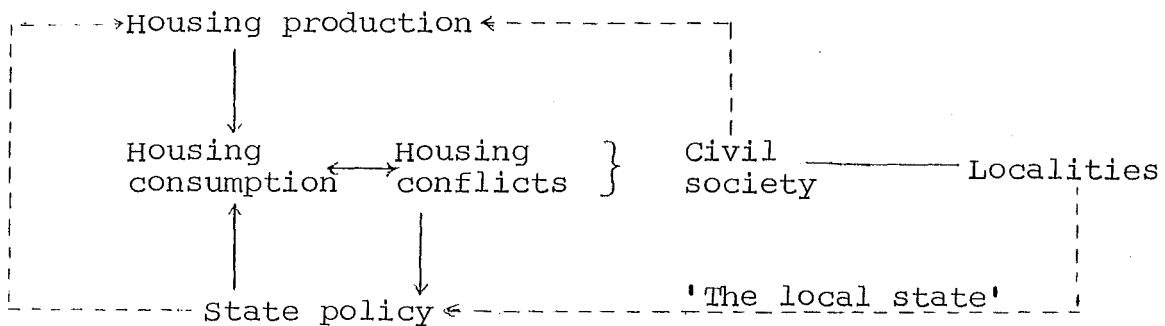
## The Structure of Capitalist Social Formations

FIGURE 3.1



Source: Urry (1981b)

FIGURE 3.2



Source: adapted from Dickens et al (1985)



local areas. National government is seen as one set of organisations related to local government as another homogeneous set. However, radical organisational literature, incorporating neoweberian and neomarxist approaches, includes the structure outside the organisation as a central concern (see Ham and Hill, 1984, for an introduction to this literature).

Boddy (1983, 134) recognises local diversity and suggests that the existence of such variation is evidence of local autonomy. The latter is a perennial issue in both conventional and radical studies of central local relations:

"to the extent that diversity exists and can be linked in explanatory terms to the local level, there exists autonomy within the general framework of financial dependency and control by central government" (Boddy, 1983, 134).

Radical theories of the local state diverge in the amount of autonomy attributed to the local level. Whereas Cockburn (1977) sees local government as an agent of central government and so allows for little autonomy, Saunders (1981), in dividing responsibilities for social production and consumption between state levels, can argue for autonomy at the local level.

However, Cooke (1983) recognises a lack of autonomy in local state planning where 'delegated planning' (in which the local level works within conditions set by central government) is the main form. Yet, although it lacks autonomy:

"the local state nevertheless derives specificity from the form of its local social relations: the complex combination

of its local civil society as structured by its local labour market, which in turn derives from the local impact of the spatial division of labour nationally and internationally" (Cooke, 1983, 202).

The specificity of the local state depends on local variation and local processes and thus on different localities within civil society. 'Locality' is a concept defined by Dickens et al (1985) as having distinct, active and specific local differences in causal process. It is related to policy through the local state (Figure 3.2). Housing policy and LCHO can be examined through a discussion of variation in a locality.

Policy towards council housing provision, although at a national scale since legislation in 1919, has been implemented at a local level. In their case studies of Sheffield and rural Norfolk, Dickens et al (1985) show that local social processes helped to determine the local variations in provision. Similarly local processes, including local politics, led to the high level of provision of council housing in Glasgow. Despite national financial constraints, local housing policy remains committed to council housing, although attention has shifted to rehabilitation and private housing provision. The latter is not only encouraged by national policies such as LCHO; it is also associated with a variety of local factors. These include concern over the lack of private housing construction in Glasgow linked with the focus on inner city problems and urban depopulation. As in other cities, such as Birmingham and Liverpool, particular LCHO measures were adopted in Glasgow as a response to local processes; they were

adopted prior to the emergence of the LCHO package at a national level. However, despite current national policy, the type of scheme remains controversial. For example, the sale of council owned land was preferred to heavy involvement with the private sector in partnership schemes. Yet the sale of land was abandoned by the Labour party administration in 1984, amidst local political controversy and against the trend of national housing policy.

In a press statement, the Labour Group Leader stated its concerns:

"First, land needed for public purposes should not be sold to developers out of despair at the present Government squeeze on the public sector. This would not be sensible planning for the future. Second, the profit developers take out of public land could be used to the benefit of individual house-buyers. Councils elsewhere have used 'development licences' and other measures to make sure that land is sold only to the individuals buying their own houses, without any profit to the middleman" (Glasgow District Council Labour Group, 16 April 1984).

Policy began to concentrate on the development of sites not owned by the council and on improvement for sale of tenements and older buildings, such as warehouses in the Merchant City, for owner occupied housing provision. The sale of council owned land remains a controversial political issue in Glasgow.

#### 4. Restructuring central local relations

Both Duncan and Goodwin (1982) and Boddy (1983) are concerned with what they see as significant changes in central local relations. Central government continually reorganises its relationship with

the local level. Duncan and Goodwin link this reorganisation to the social and historical context. They suggest that changes in central local relations are connected with the development and basis of social relations (including class relations). Boddy, however, cites central government ideology and macroeconomic policies as significant in recent measures affecting local autonomy and specificity, although he recognises the importance of radical analyses such as that of Duncan and Goodwin. Both point to two aspects of current government attitudes towards local government: first, a general 'rolling back' of the state and, second, the tendency towards increased central control. The former is an ambiguous term, since certain measures intended to 'roll back' the state in practice represent a rolling back of only the local state, and through this an increase in central control. This can be seen in the example of Urban Development Areas, introduced by the 1980 Local Government, Planning and Land Act (England and Wales), which eliminate the powers of local authorities in these areas and yet are run by centrally appointed Urban Development Corporations. In the housing field, the 1980 Housing Act in England and Wales, and the Tenants' Rights Act in Scotland, enforced the Right to Buy council housing on local authorities, removing local control.

Central control has been increased in the case of the introduction of land registers to be compiled by local authorities enabling the identification and subsequent sale of publicly owned vacant land. Land registers have aided the implementation of LCHO measures such as the sale of council land to private developers for the

provision of starter homes. Similarly central government regulations over the use of capital receipts from LCHO measures together with the restrictions on capital and revenue expenditure represent considerable constraints on local housing policies and an increase in central control.

A major local change in Glasgow since the 1970's has been the increase in voluntary association involvement in housing. In particular, housing associations have dominated the improvement of older tenement flats in the inner areas of the city. However, the associations are regulated and funded through the Housing Corporation, a central government quango. Another increase in local voluntary activity is the emergence of housing cooperatives in Glasgow, which are actively encouraged by the local elected authority.

In Glasgow, the District Council has found it easier to give up power to government quangos such as the Scottish Development Agency and the Housing Corporation, rather than directly to government departments. In this way, central government is able to use these organisations to implement privatisation in housing provision and improvement. Although they are centrally controlled in terms of resources and overall strategy, the Scottish Development Agency and the Housing Corporation are seen by local authorities in Scotland as apolitical, technical organisations in comparison with direct control in departments of the Scottish Office. Thus these organisations can undermine the authority of the local council. In Glasgow, the council has welcomed the intervention of the Housing

Corporation, which brings finance for housing renewal and improvement (including LCHO schemes) when the council's own resources are restricted. Yet in doing so, central control is extended.

Therefore, the continued attempts by national government to re-structure central local relations has implications for local autonomy, which returns us to the different theories of the local state outlined above. The continual restructuring also points to the need for a historical perspective in the analysis of developing central local relations. It also hints at the importance of changing relations in local variations in implementation of national housing policies as well as differing local housing policies.

Different approaches to the analysis of housing policy have treated local variations in housing policy and output in different ways according to the theory of the state implicit within the approach. For instance, local variations may be seen in terms of local government organisation and management, or housing policy is viewed in a wider framework of capitalist society. These approaches to housing policy will be examined in chapter four.

## CHAPTER FOUR    HOUSING POLICY AND HOUSING ANALYSIS: A CRITICAL REVIEW

### 1. Introduction

Much analysis of housing policy is based on the assumption of a 'benevolent state' (Marcuse, 1978), that government policies in general are concerned with the welfare of individuals. For policies to be more successful, all that is required is more research and knowledge in order to correct past mistakes. Marcuse argues that this is not the case, but that "housing policy is an ideological artifact" (Marcuse, 1978, 21). In practice, housing policy is a set of often contradictory policies which lack a focus. Housing is a category of a wider social problem. This brings into question the role of the state in housing and relates to the discussion in the previous chapter.

Most studies of housing policy are concerned with the effects of policy in terms of the needs of households and their access to housing. Housing policy is seen as a distributional issue with tenure divisions as important categories in the means of allocating housing. Thus analysis is focussed on households and state institutions and is consumption based. However, Ball (1983) criticises these approaches:

"they cannot explain why state policies take the form they do, and they present a one sided picture related to who bears the burden of costs instead of examining why these costs exist in the first place" (Ball, 1983, 13).

Three approaches in particular can be identified. Neoclassical economic and neoweberian approaches isolate individual agents or groups in different ways. In the former, individuals are linked together through the market and the price mechanism, whereas social institutions provide the linking role in the latter approach. The third perspective is categorised as neomarxist, in which social classes represent fundamental divisions in society. For example, functionalist marxists suggest that the role of the state is to enable capital accumulation and to contain class struggle. In housing analysis, the means of approach in all three cases is through tenure. For instance, neoclassical economic, neoweberian and some neomarxist approaches have specified the functions of owner occupation as a housing tenure and, in doing so, have emphasised consumption issues. All approaches tend to agree that state intervention in housing is necessary since an acceptable supply of housing is not provided through the market.

This chapter focusses on the three methodological approaches to housing policy analysis and discusses contributions to housing literature in this context. Different approaches within the literature will enable a discussion of LCHO as a policy which encourages a specific housing tenure, owner occupation. Tenure is a focus of both housing policy and housing analysis.

## 2. Housing economics and housing policy

MacLennan (1982), after Grigsby (1978), divides housing analysis in the economic tradition into two separate strands. Certain analysts are concerned with deterministic modelling of the housing



system, while others are specifically engaged in policy formulation, working within the constraints of the policy system.

There are two recurring themes in the economic debate over housing policy. In the first place, discussion centres on the need for government intervention in the housing market. For instance, Stafford (1978) argues for a free market in housing based on consumer preferences, whereas Lansley (1979) is in favour of government intervention in the market on economic grounds, citing the existence of market imperfections and income inequalities. Second, given that policy exists and that it has various objectives determined through the political process, housing economists have concerned themselves with questions of efficiency and equity in the distribution of resources, for example, Robinson (1979). They also focus on the use and effects of taxation and subsidisation within housing policy, for instance, O'Sullivan (1984), in order to develop more sophisticated models of the housing market.

At one extreme, Stafford (1978) sees the 'housing problem' stemming from the housing policies of successive governments:

"The alleged imperfections in the housing market are more properly ascribed to impediments and distortions in the market arising from legislative, fiscal and direct government intervention" (Stafford, 1978, 13).

Stafford believes that consumer choice should be provided within flexible housing markets, and that problems in the distribution of income, which affect poor people in the housing market, are best solved through income subsidies. Equity would be achieved

because, through the market, output would be distributed according to consumer preferences.

However, Lansley (1979) argues in favour of intervention in the form of housing policy for two reasons. First, the characteristics of housing mean that there are imperfections in the market and, second, even if policy were to remove these, housing resources would continue to be distributed in an unacceptable way. That is, Lansley rejects the view of equity taken by economists such as Stafford in the consumer sovereignty approach. He notes several imperfections which prevent an optimal allocation of resources in housing. The heterogeneous character of housing is one cause of imperfections. Housing is also durable, with a high cost relative to individual incomes. The housing market is distinguished by inelastic supply, due mainly to the building process. Thus changes in demand will be reflected in price levels which then act in an allocative way, excluding lower income groups from good quality housing.

Another imperfection is the existence of externalities in housing. Lansley cites neighbourhood effects, of urban decay or gentrification, as well as effects on human welfare and quality of life. Location and design of housing may also be unacceptable if left to the market. Lansley therefore argues for the existence of planning regulations. Government intervention in the housing market is strongly justified, according to Lansley, on equity grounds, in that the high cost of housing and income inequalities mean that housing resources would be unequally distributed, with the poor

highly disadvantaged.

MacLennan (1982) links housing policy to other policy areas, criticising a partial approach to housing. Thus other areas of policy, such as local government finance, or national monetary policy necessitate complementary or compensating policies in housing. Within the context of housing policy various analysts examine performance in terms of efficiency and equity. Robinson (1979), for instance, applies microeconomic methods to the analysis of housing policy, taking as examples rent control, urban renewal, local authority housing, together with taxation and subsidies. However, Robinson does not question the objectives of policy, but admits that he uses a partial approach to measure policy against the general objective of Pareto optimum welfare.

However, MacLennan (1982) argues for an evaluation of policy using Paretian and non Paretian welfare functions. The applied economic analysis used by MacLennan takes policy as given, while examining policy instruments. For example, in relation to policy which is aimed at extending home ownership, he states that these have followed consumer preferences but that macroeconomic policy and trends have helped to increase owner occupation more than housing policy itself. The effects of policy are important. For instance, council house sales policy is considered in relation to its financial and housing market effects, in addition to the effects on existing tenants.

In a discussion of the context of LCHO policy at a time of continuing growth in owner occupation, MacLennan and Munro (1986) again take policy aims as given, and examine the initiatives in terms of longer term effects on the extension of home ownership, together with the extent to which LCHO housing and consumers become part of local housing systems. Similarly, Whitehead (1986) lists eight evaluation criteria for LCHO policy measures, since the latter involve significant government subsidies. Her criteria concentrate on the benefits and costs to the consumer together with resource implications. Whitehead suggests:

"each initiative should be evaluated in relation to the government's overall housing objectives with respect to efficiency, incidence and extent of benefit, distributional effects and their net effect on the public purse" (Whitehead, 1986, 73).

An internal critique by MacLennan (1982) suggests that traditional economic approaches to housing are partial in their analysis and make reductionist assumptions. For example, they do not examine externalities, nor the systems in which housing is traded as a commodity. Traditional approaches to housing have also been criticised by Bassett and Short (1980) from a different perspective. First, they suggest that neoclassical approaches concentrate on choices and preferences, within constraints which are recognised but not questioned. A neoweberian approach, on the other hand, for example Rex and Moore (1967), would argue that groups of consumers are constrained by their position in the housing market as well as by agents controlling various aspects of housing, and

would examine these constraints. Therefore, the second criticism by Bassett and Short focusses upon the effects of the different agents, not specifically addressed in traditional approaches which emphasise individual households. The owner occupied housing market consists of various agents and institutions, including housebuilders, building societies and professionals, which each have their own power structures and interests in housing. A third criticism of the neoclassical approach to housing is the underlying assumption of consensus, rather than power and conflict which characterise other approaches to housing analysis.

### 3. Housing policy analysis and institutional approaches

This group of approaches incorporates pluralism and conflict. Policy is complex with often conflicting aims and there are different groups and institutions involved in housing. However, the category itself includes a diversity of approaches from the more descriptive, such as Donnison and Ungerson (1982), to the more theoretical, including Dunleavy (1979) and Saunders (1980). Therefore, this category subsumes literature on housing policy, outside the economic mould, which adopts no overt theoretical framework, in addition to analysis based on a neoweberian sociological approach, including power and conflict studies as well as urban managerialism. This section will discuss this wide categorisation in order to examine how housing and housing policy are studied and to draw conclusions for the analysis of LCHO policy.

The descriptive approach noted above perceives a benevolent state whose housing policy is aimed at meeting needs. However, policy

has built up over a period of time and is therefore complex and haphazard (Cullingworth, 1979). Cullingworth believes that housing policy has failed and that incrementalism is the only answer, since housing policy cannot be comprehensive, rational and consistent. Donnison and Ungerson (1982) also see housing policy as concerned with the solution of housing problems which vary over time. Yet there are a variety of objectives, which may be conflicting, and a host of different courses of action, which may constitute policy and which are divided between different government departments. In their examination of housing policy in Britain, Donnison and Ungerson proceed to describe an evolution of policies, stressing the collaboration of different institutions and groups, including those in central and local government, landowners, developers, builders and building societies, within a context of changing housing problems and the actions of various political parties when in office. The emphasis is on the effects of policies upon individual consumers with different needs, for example, the poor and the homeless.

Murie, Niner and Watson (1976) discuss policy in terms of a housing system, the major divisions of which are along tenure lines. Within each tenure, institutions control access to housing. Although policy is based on a strong social purpose, different agencies are involved in different parts of the housing system and affect the implementation of policy. For instance, private sector agencies in the owner occupied housing market, such as builders, building societies and estate agents, are not socially motivated, and policy based on the belief that owner occupation will help to solve 'the

housing problem' does not concede this (Murie, Niner and Watson, 1976, 238).

Bassett and Short (1980) distinguish between the power and conflict approach in North American political science, which can be included in this section and which stresses the importance of agents and institutions in structuring the housing market, as against urban managerialism in Britain. The latter also fits into this section. It is based on Weberian sociology and sees the role of agencies and institutions as affecting the housing constraints on groups of households. Urban managerialism has led to the instigation of a number of studies of agents involved in housing in Britain. The formation of this approach stems from Rex and Moore's (1967) work on housing in Sparkbrook, Birmingham. They identified housing classes derived from people's different levels of access to particular housing tenures, and based on socio economic characteristics of the household, as well as allocation by public or private sector housing institutions. Haddon (1970) makes several criticisms of Rex and Moore's differentiation of classes. A major point is that Rex and Moore have misinterpreted Weber's work in establishing their housing classes based on life chances. Weber's definition of class was through life chances associated with the disposal of goods and skills, whereas Rex and Moore confuse disposal and use (consumption) of housing. The latter provides an indicator of achieved life chances rather than a cause. Thus the importance of this criticism is that housing consumption patterns reflect social differences rather than cause them. This point is particularly pertinent when we come to examine the importance of tenure

in housing policy and housing analysis. It appears that more recent analysts have made a similar mistake.

The upheaval in urban sociology generated by Rex and Moore with their emphasis on allocation policies of housing institutions was followed by Pahl's expositions on urban managerialism from 1969 to 1974 (Pahl, 1975). He made the vital observation that previous approaches in housing studies were too concerned with choice and under emphasised constraints. Pahl proceeded to stress the role of 'urban managers', in both public and private sectors, as influencing the distribution and allocation of resources. At first, Pahl attributed an independent role to his urban managers, although he later modified this to mediation, by local public sector managers, between central government and the private sector (Pahl, 1977).

Many empirical studies of housing managers were undertaken at this time, stimulated by the resurgence of theoretical development in the field of urban sociology. For example, Gray (1976) carried out a study of the role of public housing officials in Hull in the allocation of council housing, while Williams (1976) looked at building societies and estate agents' activities in London. Muchnick (1970) has stressed the various strengths of the planning and housing departments of the local council in Liverpool in determining redevelopment policy in the city. Harloe, Issacharoff and Minns' (1974) study of housing policy, in the London Boroughs of Lambeth and Sutton and the Greater London Council, also draws on Pahl's work in stressing the distribution of power.



In a study of redevelopment policy in Birmingham in the 1970's, Lambert, Paris and Blackaby (1978) began by basing their approach on urban managerialism, as proposed by Pahl. They were particularly interested in the role of local authority housing managers. However, the study indicates the latter's relative ineffectiveness against the constraints of central government policy, the availability of land and the activities of building firms. Lambert, Paris and Blackaby concluded that the role of the state in housing policy has been "to reconcile different interests, absorb the risk, safeguard private profit and deflect protest" (Lambert, Paris and Blackaby, 1978, 167).

Saunders (1980, 1981) has criticised urban managerialism from a theoretical standpoint:

"urban managers are not in themselves theoretically important for urban sociology and ... they cannot constitute the object of analysis for such a sociology. Urban sociology is specified in terms of its concern with certain economic, political and ideological processes, not with the actions of certain individuals, and analysis of the latter must derive out of analysis of the former, not (as in Pahl's work) the other way round. Managerial outcomes represent the context within which urban analysis proceeds, not the object of such analysis. Our theoretical interest lies not in what urban managers do, but in the contradictory processes which are mediated through their actions" (Saunders, 1980, 42).

Therefore, Saunders, taking a neoweberian perspective, concentrates on the theoretical importance of the sphere of consumption as

a basis for conflict. In his first formulation, Saunders (1978) sees domestic property ownership as a basis for class formulation. Later, Saunders (1982b, 1984a) rejects the analysis of private housing in terms of class theory, although he states that private property rights are important economically and politically. Saunders (1980, 1981, 1982b, 1984a) limits class relations to the sphere of production while allocating sector relations to consumption. Tenure categories, according to Saunders, are important examples of sector relations in consumption; they illustrate the difference between social and individual consumption, between public sector and private sector housing. The division between owners and non owners of housing is a basis for sectoral cleavages (Saunders 1982b). In this way, Saunders sees the continuing trend towards a privatised mode of consumption in housing policy leading to a sectoral cleavage between private home owners, who have the benefit of capital accumulation (in Saunders use of the term), and those who rent from the state, who are becoming increasingly marginalised.

Dunleavy (1979), however, rejects the division between owners and non owners of housing, but sees conflict in terms of the relative subsidisation of the two main housing tenures in Britain. He also questions the uniqueness of housing as an influence on social cleavages. Other areas of collective (social) consumption, such as transport, are as important in Dunleavy's analysis. He is particularly concerned with the effects of consumption cleavages on political alignment, associating owner occupation with Conservative Party support and council housing with the Labour Party.

The increasing proportion of working class owner occupiers means increased political stability and a reduction in the political polarisation along socio economic lines.

"To the extent that the Conservative party is more overtly aligned with the defence of dominant class interests, such an outcome could also be taken as striking evidence of the functional role of state intervention within capitalist society in politically disorganising the manual working class" (Dunleavy, 1979, 443).

LCHO, which is aimed at extending home ownership, is an example of housing policy geared towards privatising consumption. The neoweberian analyses of Dunleavy and Saunders are based on the consumption sphere and stress the effects of tenure divisions. These effects are further discussed in the last section of the chapter.

#### 4. Neomarxist approaches to housing policy

We have already noted the work of Marcuse (1978) in questioning the benevolent role of the state. Neomarxist analyses of housing policy deny a rational, benevolent response to housing problems. They link housing policy to the development and structure of capitalist society (Duncan, 1981). Cockburn's (1977) analysis of the local state, for instance, raises issues which are linked to housing policy. State intervention either aids capitalist production and tends to be at the national level, or aids reproduction, at the local government level. Reproduction is either of productive forces or of social relations; housing is necessary for both. Housing policy at the local level legitimises capitalist relations

and diffuses conflict.

In a discussion of neomaxist approaches to the analysis of housing policy, Bassett and Short (1980) identify three commonly held justifications. Housing policy, first, attempts to reconcile the different interests of fractions of capital such as finance, building, or landed capital. Second, policies are instigated as a response to working class pressures. Last, housing policies are part of the state's aim to preserve social stability. Gray (in Merrett, 1982) criticises one strand of neomaxist analysis on the latter point. The encouragement of owner occupation has been seen by some neomaxist analysts as functional for capital in the production of social relations. Ball (1976), Clark and Ginsburg (1975), Harvey (1978) and Boddy (1980) all illustrate this approach to housing policy analysis. Housing tenures are emphasised in a similar way to neoclassical economic and neoweberian analyses.

In addition, Duncan (1981) criticises neomaxist analysis. It has repeated the weakness of neoclassical economists and neoweberians in inadequately integrating abstract and concrete concepts by developing deterministic explanations and fragmenting historical change. Neomaxist analysis thus either 'fossilises' (Duncan, 1981) historical events, incorporating abstract concepts into historical events, or develops abstract theories to account for all forms of housing provision (and policy). In the former, for example, successful studies are based on early British housing policy. This can more easily incorporate neomaxist analytical

categories which were primarily developed in the nineteenth century. Melling's (1980) set of case studies illustrates this point in dealing with the period of British housing policy prior to the second world war. Duncan also places Merrett's (1979) examination of council housing policy in this category. The second category of neomarxist analysis identified by Duncan is 'theoreticism', which assumes that the link between abstract and concrete is self evident. Castells (1977) can be criticised for using such concepts as the housing crisis in capitalism as an ahistorical generalisation:

"At the extreme, as in much of Castells' work, research becomes idealist as pre-given theoretical categories are read into any situation and assumed to provide empirical demonstration" (Duncan, 1981, 250).

Duncan believes that we need to develop intermediate concepts. The problems of 'fossilisation' and 'theoreticism' which he identifies in neomarxist work also echo criticisms of neoclassical economists' use of models of the housing market, as well as neo-weberian 'ideal types', such as housing classes. Further, they can be seen as a reflection of the problems of induction and deduction in positivist research (which are discussed, for example, by Sayer, 1979b, 1984).

According to Ball (1983), neomarxist analysis has too often been guilty of consumption orientation, concentrating on households and the state as social entities, and seeing housing as affecting capitalist accumulation and therefore as an area for class conflict. Functional marxists regard owner occupation as incorporating the working class in capitalist society, thus policy which extends

home ownership is functional for capital. Ball believes that housing analysis should not be oriented towards the point of consumption alone, but should also examine the forms and effects of housing production. He consequently discusses what he terms the 'structures of housing provision'.

"In order to understand housing policy there is a need to examine the contemporary situation of structures of housing provision, the agencies involved in them, and how they relate to wider social forces, both economically and politically" (Ball, 1983, 345).

He argues that the growth of owner occupation and policies associated with it, although instigated in the post war period by the Conservatives as part of their market solution and increasingly accepted by all major political parties, were supported by a range of economic interests. Housing policy does not represent a concerted attempt to encourage owner occupation, rather it is haphazard. This is because state policies are limited by the structures of housing provision.

The growth of owner occupation supported by housing policies is termed by Harloe as 'recommodification' (Harloe, 1981) and is further discussed in chapter eight. He sees this trend as part of a wider process of recommodification in housing, including a move towards market rents for council housing and the encouragement of private rehabilitation. Harloe points to a coalition of interests favouring the extension of home ownership and underpinned by government policies (Harloe, 1981, 45).

Harloe (1978, 1980) analyses the Green Paper on housing policy (in England and Wales, DOE, 1977), referred to in chapter two above as one of the foundations of LCHO policy, in this way. What began as a major review of housing finance, instigated in 1975 by Crosland, then Secretary of State for the Environment, who described the system as 'whimsical in the extreme' (quoted in Harloe, 1978, 4), was watered down to a few policy proposals supporting the status quo. Various housing interests, including private sector agencies concerned with the production and exchange of housing, such as builders, financial institutions and professionals, as well as potential political difficulties prevented, for example, reductions in subsidies in the form of mortgage interest tax relief. Owner occupation was to be the tenure which housed the majority of the population, whereas council housing would cater for those unable to buy. However, this was presented:

"in ways which sought to maintain the central ideological myth of the state - namely that it acts in the public interest as an impartial and rational diagnostician of problems and prescriber of solutions" (Harloe, 1980, 29).

An example given by Harloe is that the extension of 'choice' in housing was used in the Green Paper to mean solely the extension of owner occupation (see my discussion in chapter ten below). Harloe also lists examples of ways in which the technical studies associated with the review of housing policy were either ignored or used selectively. For instance, evidence on the regressive distribution of subsidies in both owner occupation and council housing was contained in the technical volumes accompanying the

Green Paper. It was ignored in the case of home ownership, yet used as part of the justification for proposed changes in the public sector, in which economic interests were politically less important. Harloe also notes the lack of analysis of housing production and land ownership which were specifically excluded from the review's concerns, nor is there any analysis of resource implications. Despite these reservations, Harloe states that the Green Paper was the first supposedly comprehensive review of housing and policy since the Royal Commission on the Housing of the Working Classes, in 1884/5, since which time housing policy has developed in a haphazard way, in response to specific concerns.

#### 5. The impact of owner occupation

The section brings together different approaches which have stressed the effects of one particular tenure, home ownership, and are therefore important to the discussion of housing policy which seeks to extend this tenure. I draw on the structure provided by Gray (in Merrett, 1982) in his discussion of three categories of approaches which stress the impact of owner occupation. In the first place, 'status quo' views, held in practice by many politicians, policy makers and housing institutions, stress the beneficial effects of home ownership, as, for example, independence, security and a stake in the system. Second, some neomarxist housing analysts similarly argue, but in a negative way, that the stake in the system and social relations produced by home ownership are functional for capitalism. The last approach is taken by certain neoweberian urban sociologists who see owner occupation as assisting accumulation and forming political divisions. That



is, all three views see owner occupation as an independent factor affecting social relations. This section will examine each view, questioning the theoretical and empirical basis of each and thus the underlying assumptions behind housing policy, which seeks to extend home ownership.

Both major political parties in power in the post war period have stressed the benefits of home ownership to the individual. For example, the 1977 Green Paper (DOE, 1977), from a Labour government, emphasised personal independence, satisfying a natural desire, and helping to solve housing problems. A statement by a Conservative Secretary of State for the Environment goes further. Government support for home ownership:

"reflects the wishes of the people, ensures the wide spread of wealth through society, encourages a personal desire to improve and modernise one's home, enables people to accrue wealth for their children, and stimulates the attitudes of independence and self reliance that are the bedrock of a free society" (Hansard, 15 Jan 1980, 1445).

Home ownership is also believed to give greater choice and mobility in housing (Building Societies' Association, 1980).

Gray criticises these 'status quo' views. Home ownership is not a basic and natural desire. This can easily be shown through an examination of comparative studies, such as that by Kemeny (1981). He shows that the level of home ownership is not related to Gross National Product and does not tend to increase over time. These points are significant since it would be expected, if owner

occupation were a natural desire, that more people would be able to fulfil their preference as income increased. Yet West Germany, Switzerland and Sweden have higher levels of per capita Gross National Product, yet a lower level of owner occupation. In addition levels of owner occupation in the post war period have fallen in Switzerland, Australia and Canada at the same time as incomes have risen.

Although the benefits claimed for home owners are enjoyed by a large proportion, Gray notes that this has not always been the case, neither is it now true for all owner occupiers. That is, the characteristics are dependent on certain socio economic conditions, which are historically specific. For example, the Central Housing Advisory Committee (1944) criticised owner occupation in the inter war period on three counts. First, construction standards for new dwellings were often low. Second, many people had no choice but to buy, often at a high cost, since there were so few houses for letting. The last point which the Advisory Committee makes is that the extension of owner occupation restricted the mobility of labour. The latter is an important point in the current claims made for home ownership as against other housing tenures. Mobility is not necessarily afforded through owning a house rather than renting. For instance, low quality, poorly maintained older housing, perhaps in inner city areas may fall in its relative value, making movement within the owner occupied sector difficult for an owner. In addition, costs of moving, buying and selling are high, especially for low income households. Relative housing costs vary between regions (Nationwide Building

Society figures) and inhibit mobility from regions with cheaper housing to the more expensive areas. This point is relative in the current context of high unemployment and low house prices in the north of England with the opposite conditions in the south east.

The claims made for home ownership in housing policy make the assumption that owner occupation is a homogeneous sector when this is far from the case in practice. Some home owners are disadvantaged not only in relation to other home owners but also to those in other tenures. Gray gives two reasons which are inter-related. First, there are different submarkets within the sector, and, second, different groups of buyers have particular characteristics.

Karn, Kemeny and Williams (1985) discuss the inner city housing market where poor quality older dwellings are often located. If such houses are not maintained, house prices will fall and owners, often on low incomes and unable to afford repairs, will be far from the benefits promised in policy statements and by housing institutions. The particular group of buyers affected are therefore those on lower incomes and, for example, black, who are constrained by sources of housing finance and the cost of housing. In these cases there is little choice in housing. Gray (1982, 277) defines these groups in terms of class, occupation, age, educational success and race, although the most important constraint remains income level and security. Yet the current economic recession, together with government housing policies

which encourage owner occupation, for all, have meant an increase in the numbers of such 'marginalised' owner occupiers (Karn, Kemeny and Williams, 1985; Forrest and Murie, 1986). The benefits attributed to home ownership may be invisible to other groups, such as women, for whom the home is likely to be a work place (Rose, 1981). Home ownership, for example on a suburban estate, may contribute to a sense of isolation. It is existing social and economic processes which enable certain groups of people to benefit from owning a house. For instance, those with a sufficient income and status which they have already achieved through the labour market will be able to buy a good quality house which is increasing in value.

Certain neomarxist analyses have emphasised the ideological character of home ownership. A stake in the system, in private property, helps to maintain stability and reduces the likelihood of class conflict in a capitalist society. Yet Gray finds no empirical evidence to support this theoretical contention. In a period of rising affluence which has characterised Britain since the war until recently, there is less likelihood of conflict, within or outside owner occupation. Owner occupiers have gained a secure income and affluence independently of owning their own homes and council tenants in good quality housing are less likely to give rise to conflict. Indeed, in other countries, such as Sweden, West Germany and the Netherlands where there are low levels of home ownership, social unrest is less evident than in Britain (Pugh, 1980).

During periods of crisis there are elements of all tenures which may be dysfunctional for capitalism. Housing conditions may be threatened by local circumstances or by a more general change in capitalist society. These were combined in, for example, the 1915 Rent Strike in Glasgow during the first world war. Most owner occupiers have had little to struggle about, although Saunders (1979) gives some evidence of conflict in Croydon. Home owners have tended to be more advantaged in the work place, whereas council tenants, increasingly from the most disadvantaged groups in the labour market, including the unskilled, those dependent on benefits, or single parents, are less able to organise in the work place (Forrest and Murie, 1986). However, a policy to increase low income owner occupation in combination with the continued draining of funds from the public sector may be dysfunctional. Many low income home owners, as noted above, do not share the benefits which other owners have (also discussed in chapter seven). An older, poor quality house at the bottom end of the market does not necessarily increase in value (Karn, Kemeny and Williams, 1985). In addition, mortgage defaults are rising with increasing unemployment, declining real incomes and the push towards home ownership (Doling, Karn and Stafford, 1985) through, for example, LCHO schemes. The potential for conflict appears to be increasing within owner occupation.

Yet home ownership may provide individuals with a means of withdrawal from capitalist processes (Rose, 1981). In her study of home ownership in the nineteenth century as a 'separate sphere', Rose found that owner occupiers could have a sense of autonomy and

and control over their lives, outside the labour process. The discussion suggests that the instrumentalism of some neomarxists who support the idea of incorporation is empirically difficult to establish. Further, as Ball notes:

"what the ideology of incorporation tends to confuse is a lack of organised political protest about particular aspects of housing provision amongst owner occupiers with ideological acceptance of the political status quo" (Ball, 1983, 284).

I have discussed above the major neweberian approaches to home ownership and consumption cleavages by Saunders (1982b, 1984a) and Dunleavy (1979). Saunders has stated:

"social and economic divisions arising out of ownership of key means of consumption such as housing are now coming to represent a new major fault line in British society (and perhaps in others too), that privatisation of welfare provision is intensifying this cleavage to the point where sectoral alignments in regard to consumption may come to outweigh class alignments in respect of production, and that housing tenure remains the most important single aspect of such alignments because of the accumulation potential of home ownership and the significance of private housing as an expression of personal identity and as a source of ontological security" (Saunders, 1984a, 203).

Forrest and Murie (1986) contend that the fault line in society is not based on consumption. Although divisions in consumption are significant, they are based on the labour market and on economic

restructuring. Similarly Gray (1982) sees the activities of home owners in Croydon, cited by Saunders (1979), as related to existing divisions in income and little to do with owner occupation itself. Gray also gives evidence that many home owners are either not interested in the accumulation potential of their dwelling (Lambert, Paris and Blackaby, 1978; Agnew, 1978), or their housing is unlikely to increase in value if it is old and in poor condition. Perhaps the most important point, noted by Saunders (1979) himself, is that the characteristics he attributes to home ownership are historically specific and are not necessarily associated with the tenure itself. The accumulation potential is based on housing values relative to inflation, the financing arrangements available to buyers, and government subsidies, which are available to those groups already advantaged. It should also be noted that the heterogeneity within the owner occupied sector means that capital accumulation does not always occur. As home ownership is extended, the tenure sector will become more stratified and segmented (Forrest, 1983) especially through such policies as LCHO.

Dunleavy's (1979) thesis claims that consumption cleavages, for example through housing tenure, are important in determining political alliance. However, Ball finds fault in Dunleavy's analysis:

"The principal weakness is that its conclusions about political action are not products of analysis but of the way in which tenures initially are defined" (Ball, 1983, 289).

In his statistical analysis of a Gallup survey, Dunleavy finds a correlation between individualised consumption and the Conservative Party, and between collective consumption and the Labour Party.

However, Ball suggests that this generalised conclusion is based on the definitions of the tenures rather than the survey results. Thus owner occupation is individualised, and council housing collective, consumption, according to Dunleavy, whereas the data do not support these concepts. Ball concludes that the results show only that owner occupiers would be likely to vote Conservative and council tenants would be Labour voters, in 1974. That is, at this particular point in time an opinion poll indicated this position. Ball does not find this surprising when each tenure was in crisis and the two main political parties offered different policies. The 1972 Housing Finance Act (in England and Wales) pushed up council rents, reducing state subsidies, whereas the owner occupied housing market had undergone a boom in 1972/3 followed by a sudden collapse. Both Ball (1983) and Gray (1982) argue that Dunleavy's analysis precludes any understanding of home owners themselves or of the ideology surrounding their tenure, and therefore any ability to transcend the latter.

Within both Saunders' and Dunleavy's analyses it is impossible to discuss changes in owner occupation which are now occurring, encouraged by policies such as LCHO and the sale of council housing. Gray (1982) points out that the variations in the quality and nature of the tenure and different groups of people within it indicate that owner occupation does not have a single meaning for all owners. Saunders and Dunleavy also necessarily exclude all other forms of differentiation in housing and social relations.



The discussion above brings into question policy which aims to extend home ownership. Changes in the dominant mode of consumption over a period of time together with spatial variations affect people's choice of housing as well as housing standards. Polarisation between tenures, that is between the groups remaining in council housing and the residual council stock, as against home owners, is not the only aspect of differentiation. Forrest and Murie (1986) make the point that as policies such as council house sales continue, owner occupation will become more stratified and differentiated; the effect of policy is to increase polarisation within the tenure.

Ball (1983) suggests that in examining housing policy which encourages owner occupation, we should not be concerned with the effects of home ownership. A broader view should be taken:

"what are the conditions that have enabled widespread differences in individuals' economic circumstances and political beliefs to be channelled into broad, popular political support for one housing tenure, owner occupation?" (Ball, 1983, 293).

That is, how has owner occupied housing provision remained dominant in housing policy? Ball suggests that one answer is the variety of interests involved in sustaining home ownership and its provision. Second, many economically powerful groups are home owners and are able to make gains through this tenure. Ball's last point is that home ownership is sustained through subsidisation, particularly mortgage interest tax relief which has grown rapidly, and through changes in policy, such as the sale of council housing

and LCHO policy measures. The following chapter will examine the structure and substance of LCHO policy which seeks to extend owner occupation.

CHAPTER FIVE      POLICY ANALYSIS: THE INTEGRATION OF STRUCTURE AND  
SUBSTANCE IN LOW COST HOME OWNERSHIP POLICY

1. Introduction

This chapter brings together a number of issues surrounding the structure and substance of LCHO policy, which were raised in the previous chapters on central local relations and on housing policy. It concentrates on three themes. First, I examine the categorisation of policy which is relevant to the structure of LCHO policy, for instance the division between housing and planning policy, or the division between tenures within housing policy. Second, the local social, economic and political context impinges on the LCHO policy process, including intentions, implementation and outcomes. This will be discussed in terms of current debate on locality and locale in urban studies. Third, in a section on the analysis of policy and implementation, I discuss the policy process incorporating questions raised in chapter three on central local relations, as well as issues in recent policy analysis literature concerning the gap between policy and action, that is, the concept of implementation. Booth and Crook (1986) note the importance of the latter in relation to LCHO and state:

"There has ... been little work on the policy making and implementation process of low cost home ownership. Rather, most of the studies have evaluated the outcomes rather than the processes" (Booth and Crook, 1986, 259).

This chapter sets out to examine the point made by Booth and Crook through a discussion of recent literature on implementation in policy analysis and applying this to an analysis of LCHO policy.

In conclusion, I suggest that an analysis of LCHO should not divorce process from substance. An examination of the policy making and implementation process should be integrated with a discussion of the context and outcomes of policy.

## 2. Categories of policy

Ball (1983) notes:

"a great academic divide between studies of housing and studies of planning ... (P)lanning literature tends to be concerned only with the spatial distribution of housing and the effect of planning policies on the land market, whereas housing studies tend to ignore spatial questions by focussing on state legislation and subsidies related to tenures and households" (Ball, 1983, 193).

This divide is mirrored in practice. That is, there is a distinct emphasis in planning policy on housing as a land use, for example in structure plans, whereas housing policy concentrates on particular tenures and on individual households, as in housing plans in Scotland. In the case of LCHO, housing policy aims to extend owner occupation to lower income households.

Yet housing and planning policies are inextricably linked. For example, changes in the emphasis of housing policy from council housing to owner occupation have effects on the land use planning system. In Glasgow, the move to rehabilitation and away from new council housing construction makes different requirements for planning in terms of infrastructure provision. More emphasis is now placed on land availability policies for new private housing

location. The location of council housing has been an issue in the past. During the 1950's, for instance, Cullingworth (1960) notes the political controversy which limited the location of council housing in many urban areas to city centre sites, preventing extensive suburban expansion. However, in Glasgow, four large sites were designated for council housing provision on the edge of the city at Drumchapel, Easterhouse, Pollok and Castlemilk. Much planning activity at the time focussed on the provision of council housing and infrastructure on these sites, together with comprehensive redevelopment in the inner city areas such as the Gorbals.

Planning policy is continually associated with housing issues. For example, the British land use planning system began with a concern over housing conditions in cities in the nineteenth century, with regulations eventually culminating in the nationalisation of development rights in the 1947 Town and Country Planning Act. Housing development is also dependent on other land uses regulated by the planning system, such as infrastructure provision, including sewage, water and roads. Issues such as rural development, suburbanisation and containment of residential land use are within the ambit of planning policies, but are dependent on, for instance, changes in the owner occupied housing market. Ball (1983) illustrates the connection between planning and housing in suggesting that problems he identifies in the provision of owner occupied housing are leading to the demise of planning control. His argument, outlined below, illustrates the interconnections between local housing and planning policies which are apparent through LCHO.

Ball sees the fundamental crisis of land use planning in the decline of planning control. Ministerial and local discretion mean that planning is increasingly unable to guide development to produce a different situation from that which would have occurred without planning control. Changes have occurred during the 1970's and have been seized upon by housebuilders who have taken advantage of the situation in their own interests. That is, housebuilders are only one component of the change which Ball identifies:

"the conjuncture of economic forces and political alliances which led to the creation of the post war planning system has collapsed, enabling the position of speculative housebuilders to be strengthened out of all proportion to their direct political influence" (Ball, 1983, 245).

Large scale public expenditure and its effect on the built environment gave the illusion of strength to the planning system, for example, in city centre redevelopments and public housing schemes. However, political reaction against such developments, as well as reductions in public expenditure since the early 1970's, have weakened the role of planning in, for example, residential development.

Ball discusses a range of social, economic and political changes which have contributed to the changing relationship between housebuilders and the planning system. First, Ball notes that there has been a continuing movement of population away from large urban areas, not from the city centre but also from suburban locations. This movement has taken the form of a dispersal to a range of smaller settlements (as discussed by, for example, Hall et al,

1973). We can also add that there is a continuing restructuring of the population in terms of household size and formation. For instance, the increasing number of small households is evident in Glasgow where the proportion of single person households is rising rapidly (GDC Housing Department, 'Annual Housing Review 1984'). Thus, in existing urban areas, there is a mismatch between existing housing and households at the same time as more and more local authorities in other areas have problems in allocating land for new development to cater for the demands of a diversifying population. This contrast is applicable, for example, in relation to declining industrial areas in the north, as against the more prosperous south east.

Second, Ball points to the decrease in public expenditure on infrastructure and the built environment which has not only affected the substance of planning but also the interests of housebuilders. The latter no longer have public sector contracts and now need to adjust the location of private development close to existing infrastructure, or certain builders have been able to switch to rehabilitation in urban areas, such as Glasgow. In addition, planning authorities become dependent on private housebuilders for any new housing provision in their area.

The third change which Ball identifies is in planning control. Various factors in the early 1970's contributed to this change. The structure planning system which emphasised the superior status of forward planning as against development control came into operation. The problems of development control officers were exacerbated

by the boom in development in 1972/3 which led to a rapid rise in planning applications. In addition, local government reorganisation in 1974, dividing planning responsibilities between county (or region in Scotland) and district authorities fed accusations of delay and inefficiency in development control.

Last, Ball notes political changes and the effects of pressure group lobbying. He contrasts the political processes leading to housing policies concerned with tenure in the 1930's as against the 1940's which had different effects on the spatial structure of the built environment and thus on land use planning. Similarly, the politics of planning have affected the development of owner occupation. Yet there are contradictions within government policies on housing and planning. Ball points to two in particular. First, successive governments have supported the growth of owner occupation. They have also tried to encourage the tenure through home ownership schemes in inner city areas, such as LCHO. However, if expansion is to continue, it must rely on suburban sites as the only possible location for widespread development by private housebuilders. Thus planning policies of containment and urban regeneration contradict the continuing housing policy of extending home ownership. This is particularly so with the decentralisation of population and a decline in public expenditure. Yet Ball ignores the widespread availability of land in many urban areas in northern Britain, such as Glasgow, unlike London and the south east.

The second contradiction noted by Ball concentrates on inner city regeneration policy which is an important political issue at the



same time as public spending and state involvement is declining in such areas. Private expenditure is expected to make an increasing contribution to urban regeneration. In housing, private schemes have included LCHO measures. However, such schemes, with the exception of the sale of land to private developers, have been small in scale (Reeves, 1986). A private developer will become involved in LCHO schemes only if they are expected to be profitable, and this may not occur in inner areas without public subsidisation. All LCHO schemes involve public subsidy in terms of, for example, land assembly, preparation and price. That is, LCHO requires a degree of public commitment and expenditure when increasing reliance is also being placed on the private sector.

'Marketability' is a word used by developers to indicate the profitability of building on a site and has become symbolic of the increasing power of housebuilders since the early 1970's. For instance, marketability has been accepted as a planning criterion for the release of land for private housing development through the Manchester study (House Builders' Federation/Department of the Environment, 1979), as discussed by Hooper (1980). It is now embodied in central advice to local authorities in Department of the Environment Circulars 22/80 and 15/84, in England and Wales. The latter, which requires a five year supply of land identified by local authority and House Builders' Federation joint studies, also contains advice on marketability. Sites:

"must be capable of being developed economically, be in areas where potential buyers want to live, and be suitable for the wide range of housing types which the housing market

now requires" (DOE Circular 15/84).

Ball suggests that all areas of conflict between planners and housebuilders are being diffused. However, current proposals by developers for new centres of housing development in London's Green Belt are likely to give rise to such conflict.

LCHO policy can be seen as overlapping housing and planning policies in both the objectives associated with it and the mechanisms with which it is implemented. For example, a planning objective associated with new private housing and improving housing for sale in cities is urban regeneration. Yet LCHO measures are also aimed towards housing policy objectives such as meeting local housing needs. The sale of land to private developers is aided through land registers of vacant, publicly owned land compiled by local authorities under planning legislation (in England and Wales, the 1980 Local Government, Planning and Land Act). Such schemes may also be assisted by the availability of Urban Development Grants under the jurisdiction of planning, in England and Wales, and LEGUP in Scotland, administered by the Scottish Development Agency. Land availability policies in structure and local plans also specify land for LCHO schemes. LCHO is, nevertheless, part of housing policy, regulated through the Housing Investment Programme (England and Wales) or Housing Plan (Scotland) mechanisms. For instance, capital receipts from the sale of land and housing in LCHO schemes are available for other housing policy purposes in the local area.

Another aspect of the categorisation of policy which affects LCHO in the division within housing policy between public and private sectors. Policy is divided in approach along tenure lines. Although local authorities are now responsible for a comprehensive local housing policy in their areas (following the implementation of the Housing Investment Programme and Housing Plan systems) which covers both public and private sectors, different mechanisms are applied. A local authority controls the council house sector with funding regulated by central government. Yet the private sector, both rented and owner occupied, has been aided, through, for instance, improvement grants, mainly on an individual and discretionary basis, although they are area and income related.

As discussed in chapter two, LCHO can also be seen as part of the government's wider macroeconomic policy to decrease direct public expenditure and to privatise production and consumption. In association with other measures in housing, such as council house sales, since the Right to Buy in 1980, together with the restrictions in central government funding available for the council house sector, particularly since 1979, housing policy has emphasised private consumption and production by continuing to subsidise individual owner occupiers while reducing subsidies to council tenants.

### 3. Context of policy

In chapter three, the importance of local variations was noted in terms of the relationship between central and local levels of government, and therefore to policy making and implementation.

In this section, the issue is expanded through a discussion of recent literature on the locality and the locale in relation to housing provision and to housing policy. In particular, three contributions to this debate are included. Dickens et al (1985) have used the concept of 'locality' in a comparative analysis of housing provision. Forrest and Murie (1986) accept the term locality as unproblematic in their examination of council house sales and marginalisation. Whereas Saunders and Williams (1984) in a highly critical discussion of, in particular, current neomarkist approaches to urban studies use the terms locality and locale and apply the latter in proposing the study of the social meaning of the home.

In using the concept of locality to justify a comparative approach, Dickens et al (1985) identify the importance of variability. First, social process and structure interact contingently in space and time. Second, they also note that the structure of capitalism itself is unevenly developed. Third, Dickens et al suggest the significance of the locality as sub national variation in, for example, "the local dimensions of housing as a material construct and the home as ontological device, as a means of shaping and defining personality" (Dickens et al, 1985, 32). They define locality as having locally specific causal processes due to the structure of capitalism and differences and developments in social relations. Thus the same process may have different results in different localities. For instance, Massey (1983) shows that the process of economic restructuring, indicated by branch plant location by multi national firms, has different results in Cornwall

and South Wales due to specific social relations which have developed over time in these areas.

Dickens et al note Urry's (1981a) three components of socio spatial relations in localities, comprising the occurrences of day to day living, the spatial relations involved in social structures, such as households, and the spatial effects derived from the relations between social structures. The above example from Massey illustrates the latter. Another example is the relationship between the national state and the locality, as discussed in chapter three. Much of the current debate on localities centres on how they are defined. Urry, for example, uses the definition of the local labour market. However, Dickens et al see Urry's definition as reductionist with regard to the components of localities; it is derived from an economistic analysis. They suggest that political and cultural relations are also relevant. Nevertheless, they see the importance of localities to be increasing, despite the continuing concentration of capital and the rise of multinational firms, in the uneven development of social relations in space.

Forrest and Murie (1986) also stress the importance of the local labour market in its relationship with the housing market. Instead of the argument put forward by Dunleavy (1979) and Saunders (1984a) that a major fault line in society arises from ownership of the means of consumption, as discussed in chapter four, Forrest and Murie suggest that the basis is the labour market and economic restructuring, citing Offe's (1984) bifurcated society, the core and periphery, as an extreme example. They note increasing marginal-

isation of the state sector in housing, on an aggregate basis (in Scotland, and Glasgow in particular, this is not so), together with greater differentiation within the owner occupied sector.

"The uneven pattern of economic change and recession is likely to influence both the pattern of tenure restructuring and the significance of tenure" (Forrest and Murie, 1986, 50).

Therefore, while Dickens et al link variations in housing provision with locality differences, Forrest and Murie are concerned to base their analysis of the housing market on class structuration, that is, in their terms, on labour market and economic restructuring. There are widening divisions between groups in growth sectors of employment, as against the unemployed, the elderly and those in low paid employment in declining sectors. Forrest and Murie proceed to discuss differences in council house sales under the Right to Buy legislation (which they see as one aspect of the restructuring of the welfare state) between different localities. The latter remain undefined, but, to be consistent with their line of analysis, should be presumed to rely on local labour markets. However, they do note the importance of local variations in house types, prices, the costs of owner occupation and levels of home ownership, as well as comparative rent levels. An example of this would be that the historical availability of low cost older housing in a locality, particularly in inner urban areas, has important effects on the local housing market and therefore on LCHO policy implementation and outcomes. Forrest and Murie note that:

"the relationship between housing tenure and employment or

economic position is not a straightforward one. Various factors in local housing and labour markets are likely to determine the nature of links between particular tenures and particular sections of the population" (Forrest and Murie, 1986, 60).

Yet they assert that:

"the focal point for explanations of divisions in home ownership and potential changes in the organisation of housing production and consumption will be the strains and tensions imposed by economic recession and the uneven impact of social change" (Forrest and Murie, 1986, 64).

Forrest and Murie's emphasis on the relationship between the labour market and the housing market must be questioned. In the first place, their statement that the housing market is dependent on the labour market is no more than descriptive. Second, this is not a new focus of analysis. There appears to be little difference from neoclassical economic models of the housing market which relate consumer income to housing characteristics. Their analysis is nevertheless useful in relation to policies to extend home ownership, such as LCHO in comparison with council house sales. However, an analysis of LCHO is complicated by the discretionary character of the policy, whereas implementation of the Right to Buy by local authorities is compulsory. Another complication is the range of local policy objectives associated with LCHO. Further, LCHO schemes involve issues of housing production, in addition to the analysis of consumption and exchange which are required for the Right to Buy.

Although Forrest and Murie offer no definition of locality, Saunders and Williams (1984) are concerned with space, as referred to using the terms 'locale' or 'locality' in urban studies. They examine current attempts to link structure with action and combine discussions of space by Giddens (1981) with that of Urry (1981b). The former links action with consequent spatial forms, whereas the latter is particularly concerned with variations in class relations over space. Saunders and Williams prefer the concept of locale, which is significant "in the way in which specific combinations of elements enable and constrain the development of specific social forms" (Saunders and Williams, 1984, 14). Locale is a more flexible term than locality and encompasses localities or other scales and forms of organisation. The concept of locale:

"provides us with the opportunity to break out of the blanket mode of theoretical explanation which was so characteristic of structuralist marxism in that it points, not to the uniformity between cases, ... but to the crucial factors that distinguish them. This in turn means that a focus on locale will necessarily be an empirical focus, for it is only through empirical work that we can begin to identify typical patterns of conjunctures of elements sustaining specific forms of social and political organisation" (Saunders and Williams, 1984, 14).

Thus Saunders and Williams answer the charge of relativism which may be raised against an analysis of localities stressing local variations, as do Dickens et al (1985), or, as Forrest and Murie would put it, that "everywhere is different" (Forrest and Murie,



1986, 58).

Saunders and Williams proceed to focus on the home as locale, stressing the need to look at housing as a complex social relation as well as an economic relation. It is the latter perspective which characterises the majority of current housing studies, whether neoclassical economic, institutional or structuralist. Saunders and Williams suggest that:

"the home as locale may be both a crucial nexus between individual and society and a central locus wherein social relations are thought out and fought out, perpetuated or changed" (Saunders and Williams, 1984, 26).

Their argument identifying a gap in housing studies is strong. Previous studies have concentrated on production, distribution and consumption, or the bringing together of these three aspects, of housing. Saunders and Williams suggest that the meaning of the home has so far been excluded. However, they do not go so far as to state how their addition to housing studies should be linked to existing housing analysis, which they see as remaining relevant. Further, studies of the locale as the focus of social relations are not new in urban studies. Although not using the term locale, Gans (1968), for example, focussed on the home. More recently, in the field of industrial geography/industrial studies, the firm as locale is advocated by, for instance, Taylor and Thrift (1983), who take a structurationist approach, following Giddens (1981), in which local agency is linked to wider structural constraints. Sarre (1986) also supports a structurationist approach to the study of ethnic minority housing.

The study of locality or locale, including the home, in relation to LCHO policy can be seen as a corrective to the conventional approach advocated by policy analysts, who concentrate on the policy process, particularly from the top downwards, from central policy makers to the local implementing agency. This point is important to the discussion in the proceeding sections of the chapter. Concepts of locality and locale are also relevant to the analysis in chapters eight to ten. For example, the changing character of different tenures, in particular owner occupation, can be identified in different localities (chapter eight). The importance of social relations in space is relevant to a consideration of LCHO as part of urban policy, with expectations of social and spatial effects, as examined in chapter nine. The meaning of the home is important to the debate on tenure choice and preferences, as discussed in chapter ten.

#### 4. Analysis of policy and implementation

Recent literature in the field of policy analysis rejects the traditional top down approach (Barrett and Fudge, 1981; Ham and Hill, 1984; Barrett and Hill, 1984). The latter approach sees policy making and implementation as a hierarchical process, from high level to lower level and from policy making to the stage of implementation. The legal and financial framework of government tends to reinforce the top down approach with the unequal relationship between central and local government organisations apparent in, for example, council house sales. However, the discussion above has raised the problem of making generalisations from the top downwards. Localities vary, for instance, in their adoption

and implementation of LCHO policy measures. In the area of policy analysis, rejection of the top down approach has centred on the false separation between policy and action (Barrett and Fudge, 1981). There is a need to look at the extent to which what is done relates to policy itself. For instance, Barrett and Fudge have found a multiplicity and complexity of linkages in the policy process together with the predominance of conflict, rather than the consensus assumed in top down analysis.

In the context of LCHO, we have seen that policy is apparently formulated at the national level of government (DOE, 1977, 1980, 1981) to be implemented at the local level. However, several factors complicate this simple process. First, LCHO measures which form part of national policy were often formulated and first implemented at a local level by individual local authorities. Second, LCHO is a package of policy measures, each distinct and with varying objectives. For example, homesteading and improvement for sale have a secondary aim of improving older housing stock as well as the main LCHO objective of extending owner occupation. Third, as noted above, LCHO is a discretionary policy. It is not legally enforceable on local level implementors, although there are, for instance, financial considerations which induce local authorities to adopt LCHO policy. Fourth, LCHO, if adopted at a local level, becomes a policy of the local authority, with its own objectives which may differ from those of national government. Last, the local context is of considerable importance, including political circumstances, the social relations of housing production (for example, in land availability, housing finance

and building costs), together with conditions in the local owner occupied housing market in relation to the local labour market.

Booth and Crook's point, noted in the introduction to this chapter, of the lack of implementation studies in LCHO policy analysis (Booth and Crook, 1986, 259) appears to suggest that implementation is a discrete mechanism, or a stage in the policy process which can be divorced from policy outcomes. They refer to the relatively small contribution of LCHO schemes to the supply of new and improved houses for sale since 1980 as a failure of implementation. This section aims to investigate the concept of implementation and its part in the policy process, incorporating the work of three authors concerned with the implementation process (Barrett and Fudge, 1981; Ham and Hill, 1984; Barrett and Hill, 1984).

The analysis of policy and implementation is complex. For example, action may precede policy, or they may develop together, as in the case of LCHO measures. This raises the question of what is policy (Barrett and Hill, 1984)? Policies may be ambiguous and involve conflicting goals. LCHO, for instance, incorporates a variety of aims and objectives, from extending home ownership to urban policy aims of population stability and urban regeneration, as well as meeting local housing needs and providing choice in housing. The provision of housing for sale to low income purchasers may conflict with trying to encourage young and economically active groups back to the city. Not all action is part of a specific policy, in addition to which policy itself is not static:

"it is modified and mediated over time in response to external

circumstances or as a result of the actions and responses of those responsible for its execution or upon whom it is brought to bear. At any point in time it may not be possible to say whether action is influencing policy or policy action. Hence action cannot be directly related to and evaluated against specific policy goals. Even where 'policy' appears to exist, it may not involve clear goal specification" (Barrett and Hill, 1984, 219).

I have already noted the interaction between different levels of government involved in LCHO policy. However, policy implementation also requires interaction between government agencies and other organisations. Several schemes included within LCHO need the participation of private sector institutions, such as private housebuilders and building societies, which have their own interests and priorities. Boddy (in Barrett and Fudge, 1981) shows the relationship between government and building societies in the 1970's. The latter were implementing government policy on a voluntary basis at the time when it suited them to do so. A similar case can be made for current support by builders and financial institutions of LCHO schemes, and is discussed in chapter seven.

Further, policy does not operate in a vacuum; it interacts with other forces which are often not considered. For example, economic conditions or other government policies may work against the implementation of LCHO. High interest rates and low inflation in Britain in the 1980's do not favour new entry to owner occupation (MacLennan and Munro, 1986). LCHO goes a little way to redress the substantial

adverse effects of these macroeconomic factors.

Policy making and the policy process are not value free, neither are they devoid of conflict. For instance, Barrett and Hill (1984) see policy as compromise between conflicting values and interests. These necessarily affect the entire process; thus problems identified in implementation should not be labelled as a failure of implementation but a reflection of this conflict. The point can be argued in relation to LCHO where the policy reflects different values associated with home ownership. For example, owning a house is seen as a natural desire, thus policy is aimed at fulfilling individual choice and need. Yet home ownership is also viewed as having certain beneficial effects on behaviour, in encouraging people to look after their homes and even in promoting social mix in urban areas (see chapter nine). LCHO therefore contains an element of social control. An analysis of LCHO must take account of the varying interests and values which underlie the policy.

In relation to the last two points, LCHO can be regarded as a symbolic policy to some extent. Edelman (1967, noted in Barrett and Fudge, 1981, and Barrett and Hill, 1984) uses this term to denote a policy which is formulated with little hope of implementation. Thus LCHO is promoted on a wide scale yet has had relatively little impact on the owner occupied market due to other forces in the economy and housing market. Barrett and Hill also suggest that some policies, such as those directed at the inner city may be "shooting at the wrong targets" (Barrett and Hill, 1984, 224). Such policies may do little to solve urban problems.

According to one's viewpoint, they either ignore underlying processes or are an incremental response to larger problems. This argument can be applied to LCHO schemes which are part of urban policy in Glasgow, as discussed in chapter nine.

Booth and Crook's argument, that the study of LCHO has so far omitted any analysis of the policy process, reflects the recent focus of policy studies, that there is "a 'missing link' between the concern with policy making and the evaluation of policy outcomes" (Ham and Hill, 1984, 95) which is implementation. However, as Ham and Hill note, this has often led to a separation of implementation from policy making, as in the 'top down' approach advocated by Pressman and Wildavsky (1973). The latter approach argues that the problem of implementation is imperfect control at the top, the deficit between policy and action. However, as we have seen above, policy is complex and may be indistinguishable from action; policy and action are a continuous process (Barrett and Fudge, 1981, 25).

An initial attack on the top down approach came from Elmore (1980) who proposed his backward mapping view of implementation which centred on individual actions as the starting point and worked back through procedures to policy objectives. Hjern and Porter (1980) were concerned with an implementation structure concentrating on the level of decision making of actors and agencies. The 'bottom up' approach is action centred and takes into account four factors noted by Ham and Hill (1984). Policy is continuously changing and changeable; there is a complex structure of interaction within

the policy action process; implementation is affected by outside factors and, last, implementing actors are difficult to control. The top down approach implicitly takes a normative view. By focussing on the problem of an implementation deficit, it assumes that policy goals are ideal, and should be implemented in full:

"the top down approach takes it for granted that such goals are embodied in policy, and ... in using notions like implementation deficit it offers only one kind of solution to deficient public sector performance, namely that the top should get a better grip on the situation" (Ham and Hill, 1984, 110).

Barrett and Fudge (1981) support the idea of an implementation structure, more extensive than that proposed by Hjern and Porter. They note a false distinction between top down and bottom up approaches which should be remedied by examining the variety and complexity of formal and informal linkages, together with the various interests and thus the power structure and conflict in the policy action process. This illustrates a neoweberian approach to implementation, whereas Barrett and Hill (1984) note two extreme positions. First, a liberal democratic/pluralist viewpoint sees the goals of policy makers and policy making itself as separable from implementation. Second, a structuralist position sees the futility of focussing on implementation in an attempt to relate outcomes to policy goals. Barrett and Hill, following Barrett and Fudge, support a neoweberian approach, in which there are policy makers with goals, but implementors also make policy. Conflict occurs when different policies must be balanced against each



other. The focus is on intra and inter organisational interactions. It is based on the structure of power:

"Researchers should pay attention to the way in which the process of implementation is essentially a political process characterised by negotiation, bargaining and compromise between those groups seeking to influence (or change) the actions of others, and those upon whom influence is being brought to bear" (Barrett and Hill, 1984, 238).

Further, Barrett and Hill recognise the interrelatedness of structural and substantive policy issues. The content of policy is crucial, as is the relationship to other policies, particularly those concerned with resources and manpower, in implementation. They cite the work of Knoepfel and Weidner (1982) and Whitmore (1984). The former analyse air pollution policy in terms of a core and shell, the core as the substantive policy surrounded by a shell of programmes which are required for implementation, including regulations, administration and financial resources. Each or all may be influenced by different interest groups. Whitmore adapts the approach proposed by Knoepfel and Weidner to an analogy of the layers of an onion, so that implementation involves a number of different levels. The core is the issue itself, rather than the policy, (in Whitmore's case, child abuse) and is surrounded by a 'policy paradigm' relating to the ideological approach to the policy issue. For example, the problem of child abuse may be seen in several ways, as one of inequality or of social control. Similar analogies can be applied to the housing problem, which can be seen in terms of need or social control, depending on the

approach taken. The policy layer may require a monitoring framework. Another layer is the organisational framework and resources, including, for example, central local relations, followed by the administrative structure and finally the 'interface' between the professionals and the consumer (Whitmore, 1984, 243). Both Barrett and Hill, and Whitmore recognise the need to integrate means and ends (structure and substance). In particular, the former notes that:

"the complicated relationship between policy intentions and policy outcomes cannot be explained in terms of some 'deficit' in the process of the latter through the organisational system, but in terms of conflicts of interests and values with an interrelated impact upon both means and ends" (Barrett and Hill, 1984, 238).

The implementation models discussed above are primarily descriptive as against the normative top down conventional approach to the policy process. They nevertheless recognise the complexity of policy and the different values and interests involved. The study of policy implementation is much more than a mechanism or a measurement of how far, for example, LCHO schemes appear on the ground. A study of implementation should incorporate the examination of the whole process and substance of policy. The separation of process and implementation from outputs is severely limiting to an analysis of LCHO policy. Booth and Crook (1986) thus make a false distinction between process and outcome in LCHO policy analysis. In examining, for example, the outcomes of LCHO it is not possible to avoid study of policy intentions, policy making

and implementation, and to relate these to the substantive context which affects and is affected by LCHO policy.

#### 5. Analysis of LCHO policy implementation

Through the discussion above, I have implied that the implementation of LCHO policy is not measurable in terms of scale. It is not possible to say that LCHO has been unsuccessful because it has been implemented on a relatively small scale in terms of total new housebuilding or improvements in the owner occupied sector, as do Booth and Crook (1986). Forrest, Lansley and Murie (1984), for instance, recognise the mistake of evaluating LCHO policy in terms of the scale of implementation. As discussed in chapter six below, they are more concerned with supply and access effects.

This section discusses what is required in order to examine LCHO policy implementation at a local level. Three aspects of the policy in particular are included. In the first place, a target population needs to be identified. Who is LCHO policy aimed at? Is it aimed at particular groups of buyers or at extending the stock of owner occupied housing? In practice, for example, local authorities, such as Glasgow, point to the number of new houses built in the inner area of the city as an indicator of success. The target population may be different for each measure included under the umbrella package of LCHO. Therefore a second element in the analysis of LCHO is differentiation within the overall policy, in terms of, for example, objectives, mechanisms (each of which may vary in different areas), agencies involved, prices and costs (varying spatially), types of housing, and thus the

buyers themselves. Third, the context of policy requires examination. This includes not only the macroeconomic situation or the social, economic and political relations in a locality which influence the way policy can be applied (as discussed above), but also the political/ideological values behind policy, relations between central and local government, the influence of other policies particularly in terms of resources, as well as other agencies with interests in LCHO policy such as housebuilders and building societies. Following this, it is clear that each type of LCHO scheme requires separate discussion in order to outline problems of implementation and differences in outcomes.

The government's brochure 'A First Home' (DOE, 1981) promotes LCHO to local authorities, encouraging them to provide low cost homes to buy in their area. However, it makes no specific references to target groups of people who are expected to buy such low cost homes. In introducing each measure it appears that it is up to the local authority to decide upon priority groups, such as council tenants, once the initial decision is made to undertake LCHO schemes at a local level. The emphasis is on local authority involvement in the provision of housing for sale rather than to rent. Thus the title 'A First Home' indicates the general target of first time buyers. A later evaluation of LCHO undertaken by the Department of the Environment (Littlewood and Mason, 1984) also suggests the wide target area: "A major objective of Government policy is to help as many people as possible to become home owners" (para 1).

In Glasgow, LCHO schemes have been intended to extend the supply of low cost housing for sale in the city and some schemes have given priority to specific groups. Buyers in the homesteading schemes, as discussed in chapter six, for example, must be council tenants or on the waiting list. However, the lack of restrictions on the council waiting list mean that all can apply, effectively eliminating the claim of priority access. Similarly, despite priority to housing association tenants and waiting list applicants in the housing association improvement for sale scheme included in the author's survey in Glasgow, few flats were sold in this way; the majority of sales were through the open market. Chapter six contains a discussion of research on access to LCHO schemes which shows that on the whole those buying into such schemes were intending to purchase their home anyway. It thus indicates that LCHO schemes have not been targetted effectively. LCHO policy is characterised by a lack of prior research into target groups, at a national level by the government which is more concerned with extending home ownership itself. It is not possible to measure the success of the specific LCHO measures in extending home ownership if no detailed consideration has been made of the target population. In addition, the identification of target groups would have enabled greater specificity in the mechanisms employed in each type of scheme, for example, in agreements between private developers and local authorities, or in discounts available to buyers. Greater research would have indicated the short term character of the policy, which initially may provide low cost housing to lower income groups but later simply adds to the stock of owner occupied housing on the open market, as noted in chapter seven, below.

Implementation of LCHO policy is difficult to discuss when the variety of schemes included in the policy package is identified. Although grouped together under a policy to extend home ownership, each has different associated objectives, as discussed in chapter six. For example, as pointed out above, improvement for sale and homesteading are methods of improving the housing stock. Development of council land for new private housing in urban areas, as in the case of Glasgow, and Liverpool (Grosskurth, 1982), is a method of attracting people back to the city. The mechanisms employed to undertake the policy vary with different schemes and will influence implementation. For instance, it is easier for a local authority to sell land directly to private developers than to enter into an agreement on the various aspects of the development process, including type of housing, phasing, prices and priority buyers. Similarly, a high degree of council or housing association involvement in manpower and resources is required for homesteading and improvement for sale schemes. This itself may explain the wider scale of provision of build for sale in comparison with other LCHO schemes, as identified by Reeves (1986). The type of scheme also differs between local authorities. Homesteading in Glasgow has involved a type of 'enveloping' scheme for the external improvement of a group of houses sold to individual buyers for internal repair and improvement, whereas the Greater London Council scheme required individual repair and improvement of dispersed housing (GLC, 1982).

Different schemes require the involvement of a variety of public and private sector agencies. The sale of land for starter homes

and building under licence require commitment from private developers. Shared ownership needs the involvement of a financial institution prepared to lend on a proportion of the equity, the remainder of which is rented. Improvement for sale and homesteading involve a high level of public sector input, yet may need the agreement of banks and building societies to provide mortgages.

Prices and costs will vary spatially and according to different schemes. For example, costs to developers in newbuild schemes will be lower if the cost of the land is subsidised by the local authority, as in the case of much of the land sold in inner areas of Glasgow. Prices of housing will reflect costs, the levels of discount offered by local authorities, as well as valuation according to the local housing market. Homesteading and improvement for sale schemes are being sold at lower prices than newbuild housing (Littlewood and Mason, 1984) on a national basis. The type of housing also varies according to location and scheme. For instance, homesteading in London has consisted of pre 1919 housing, including many conversions (GLC, 1982), whereas in Glasgow a major homesteading scheme has been post war, purpose built, family sized tenement flats in a peripheral council estate. The sale of land to private developers has consisted mainly of small, high density housing, as opposed to the higher level of family sized accommodation in building under licence. Littlewood and Mason (1984) found that 55 per cent of houses on land sold for starter homes consisted of three rooms or less, whereas 74 per cent of houses built under licence had four or more rooms.

The context of LCHO policy has been discussed above and in chapter three, including central local relations, the locality and the interests of private and public agencies in LCHO schemes. We can conclude that the pattern and effects of LCHO schemes which are undertaken reflect the interactions of these relations and interests, as well as the underlying macroeconomic situation and other government housing policies and resource commitments. The above discussion illustrates the importance of dividing an examination of LCHO implementation into different schemes included in the package. Despite central government policy backed by incentives and constraints, LCHO schemes have been undertaken in a very uneven way, both spatially and between the schemes themselves. Chapter six will illustrate this point through a review of research on the different LCHO policy measures.



1. Introduction

The chapter aims to review the majority of empirical studies of LCHO policy. These have often taken an individual measure, such as building for sale, and examined its implementation in a particular area, for instance, Liverpool (Cullen and Turner, 1982). Such studies concentrate on the objectives, the mechanisms of implementation and access to LCHO schemes. Some studies have looked at LCHO policy on a national scale. For example, Kirkham (1983) discusses improvement for sale on this basis and Littlewood and Mason (1984) report a national survey of LCHO schemes.

In order to review existing research on LCHO, the chapter is divided into three parts. First, I examine the aims and objectives associated with the overall policy and the individual measures within it. Second, the extent of implementation is discussed, including the importance of scale as an evaluative measure. Third, a review of individual research studies is organised around each LCHO scheme. This part of the chapter introduces the author's survey of LCHO schemes in Glasgow in 1983 and also discusses some problems of comparative research.

2. Low Cost Home Ownership policy objectives

Although there are detailed differences in the aims associated with the various LCHO measures, three broad categories of objectives can be discerned. First, LCHO is a policy intended to increase home ownership and private involvement in housing development.

Second, the measures should fulfil local housing objectives of meeting housing needs and improving housing conditions. Last, LCHO initiatives, through changing tenure structures are expected to have economic, social and environmental effects, such as attracting a young and skilled workforce and stabilising population in certain cities.

The objectives of LCHO policy are structured in three ways. First, each LCHO scheme has different objectives. For example, improvement for sale and homesteading are methods of improving dilapidated buildings and therefore contribute towards urban renewal objectives. Other LCHO schemes are geared more to the extension of home ownership. Second, objectives vary between different agencies. Central government objectives centre on providing more housing for sale and extending home ownership at a national scale. At a local level, local housing and planning authorities see LCHO schemes as a means of using derelict land or buildings and to provide additional housing at a time when council capital expenditure is limited. Private developers and mortgage institutions have a commercial interest in pursuing LCHO initiatives (discussed in chapter seven).

A third way of grouping objectives is the diversity within different agencies. One LCHO scheme may have several objectives. For example, in Liverpool, Grosskurth (1982) lists the council's objectives for partnership schemes (building under licence) in inner areas of the city as providing more housing and widening tenure choice, increasing access to home ownership to those on lower incomes,

attracting and retaining the more skilled workers, contributing to social mix, reducing the need for council house building, and helping to regenerate inner Liverpool. This illustrates the range of results expected from LCHO schemes.

The case of Glasgow indicates the variety of policy objectives in an urban context. These can be discussed through an examination of the background to the implementation of LCHO measures which is unique to Glasgow. Glasgow District Council is the largest city housing authority in Britain, with over 171,640 houses in its ownership, and a total of 185,805 publicly owned houses in the city, including Scottish Special Housing Association (SSHA) property (GDC Housing Department, 'Annual Housing Review 1984'). Public sector housing (council and SSHA) comprises 62.7 per cent of all housing in the city. The inner city is the only mixed tenure area of council housing, housing association and privately rented accommodation, with many owner occupied tenement flats at the lower end of the market.

From 1976, and particularly since 1979 with a change in government, a decreasing amount of money in real terms was available for council new build and maintenance of the existing stock. This, together with the financial incentives for implementing LCHO measures, primarily the use of capital receipts, favoured the formation of the 'Alternative Strategy' in 1980, which was aimed at 'harnessing the resources' of the private sector, to contribute to Glasgow's housing policy of not only meeting housing needs but also housing aspirations. Certain members and housing officers were eager

to be innovative and to encourage the private sector in the city. Thus the Labour controlled authority now has a Housing Promotions Manager in the Housing Department, concerned with owner occupied housing initiatives and the involvement of private sector agencies.

The development of LCHO schemes was favoured in other ways. Land availability studies, encouraged by central government to ensure that local authorities had a five year supply of land for private housebuilding, were undertaken with Strathclyde Regional Council together with the House Builders' Federation. These lists of sites ('Yellow Book' and 'Yes' sites) pinpointed vacant land for private development and indicated the amount of vacant land owned by the council from the redevelopment programme of tenement demolition and earmarked for eventual council house building. The sale of council owned land to private housebuilders was one way of developing some of the large areas of vacant and derelict land in Glasgow. Strathclyde's structure plan (Strathclyde Regional Council, 1979, 1981) reinforced the concentration on redevelopment sites through a policy of favouring 'brownfield' housing development in Glasgow, as against the use of 'greenfield' sites.

Not only was new house building for owner occupation aimed at increasing the housing stock, it was also aimed at improving the environment. After the 1969 Housing (Scotland) Act, which introduced rehabilitation and area improvement, a reversal in strategic housing and planning policy occurred with the West Central Scotland Plan of 1974. The Plan highlighted the scale of population and employment loss from Glasgow and stated the need to improve the urban environ-

ment by increasing the type and quality of housing in the city through rehabilitation and owner occupied housing provision. This policy was embodied in the Glasgow Eastern Area Renewal project (GEAR) which redirected public funding from a proposed new town at Stonehouse to the East End of Glasgow. The GEAR project to regenerate a 1600 ha area of the city encompasses as one of its objectives:

"to stem population decline and engender a better balanced age and social structure" (Scottish Development Agency, Urban Renewal Directorate, 1980).

Policy measures associated with this particular aim are entirely concerned with housing provision and improvement. The Scottish Development Agency is the coordinating body for the agencies involved in GEAR. It is compelled by government to encourage private investment through the use of public funds. For instance, the Agency now leads public sector investment in the Merchant City initiative which is providing private housing units in renovated warehouses in the centre of Glasgow.

A traditional association in planning and housing policy between population level and migration, and housing provision is extended to the effects of a particular housing tenure on population structure. A joint report (Scottish Development Department, Strathclyde Regional Council, Glasgow District Council, 1978) was concerned with population loss from Glasgow, and the District Council's corporate planning objectives have linked population loss to the lack of tenure choice. There is a strategic concern over the low percentage of owner occupation in the city, comprising only

25 per cent of households in 1981 (Census of Population). The provision of land for private housebuilding and other LCHO initiatives goes some way in attempting to redress what is seen as an imbalance in tenure structure.

In addition, problems in particular areas of Glasgow, for example, population movement from the peripheral public sector housing estates, have been associated with housing tenure. The peripheral estates initiative policy of Glasgow District Council includes attracting private investment, particularly in housing. Tenure mix is expected to attract a range of socio economic groups and to bring stability to peripheral areas (GDC Minutes, 1978/9). For instance, homesteading is part of this policy in Easterhouse, one of the peripheral estates (GDC Housing Department, 1983a, para 1.1).

The extension of home ownership through a variety of schemes has been linked to employment generation in the city. The council has justified schemes not only in terms of construction jobs but also in bringing in a young and skilled workforce and helping to attract firms to Glasgow (GDC Housing Department, 'Housing Plan 7', para 10.14). The objectives of socio economic mix, employment generation and population stabilisation will be examined in chapter nine.

Thus, from 1977, Glasgow has encouraged private development in the city, particularly on redevelopment sites through, for example, the sale of land to private housebuilders for new owner occupied

housing. The council has also participated to a lesser extent in 'bartered' sites in order to procure benefits from the developer, such as the provision of some council housing within a scheme. Improvement for sale, undertaken by the council or encouraged by it through housing association implementation, and homesteading are other LCHO schemes in Glasgow which further the objectives.

### 3. The extent of implementation

In this section I examine the extent to which LCHO schemes have been implemented in terms of the overall scale of new initiative housing nationally and in its spatial impact. Different elements of the package are implemented at different scales and are more popular in particular areas. Forrest, Lansley and Murie (1984) have reviewed the scale of LCHO schemes in England and Wales, using official statistics. They note the limitations of these figures in terms of the varying definitions of schemes by different local authorities and the confusion over intended schemes and actual completions. Kirkham (1983) refers to the variations in the number of local authorities listed as involved in improvement for sale:

"while this may be a particular problem in relation to improvement for sale and homesteading it seems likely to result in a general tendency to overstate activity in low cost home ownership schemes".

Since LCHO schemes are discretionary (although returns on schemes by local authorities in England and Wales to the Department of the Environment are compulsory), the scale of LCHO implementation

can be shown by examining the number of authorities undertaking schemes (Table 6.1) as well as the number of houses sold under the various initiatives (Tables 6.2 and 6.3). There are no equivalent figures published for Scotland. Housing association activity in LCHO schemes, as encouraged in the 1980 Housing Act and an allowance in the approved development programme of the Housing Corporation, is shown in annual Housing Corporation reports (Table 6.4).

The primary schemes implemented by housing associations are shared ownership and improvement for sale, whereas local authority involvement in LCHO tends to concentrate on providing land for private development, either through direct sales to housebuilders or through partnership schemes. However, the scale of all LCHO schemes is minimal in comparison with the effects of the Right to Buy on council house sales since 1980. Thus, the number of dwellings sold under LCHO schemes from 1979/80 to the first quarter of 1982/83 was 19,010 (House of Commons, 'Hansard', Vol 29, 25 Oct 1982, col 327-30), as against 258,500 Right to Buy sales (DOE, 'Housing and Construction Statistics'), in England and Wales.

Several commentators use the scale of LCHO implementation as one measure of the success of the policy. Smith (1986), for instance, comments upon the 'pedestrian progress' with which improvement for sale has been adopted by housing associations. If the major aim is simply to extend the supply of relatively low cost housing then this may be so. However, Forrest, Lansley and Murie question the use of scale:



TABLE 6.1

Number of local authorities undertaking Low Cost Home  
Ownership schemes in England

	1980/81 <sup>1</sup>		1981/82 <sup>2</sup>		1982/83 <sup>3</sup>	
	No	% of all LA's	No	% of all LA's	No	% of all LA's
Sales of LA land for low cost homes	106	29	82	22	137	37
Building under licence	21	6	120	35	142	39
Improvement for sale	37	10	72	20	99	27
Homesteading	55	15	53	14	82	22
Shared ownership	27	7	28	8	64	17
Mortgage guarantee		0	13	4	52	14
At least one initiative	172	47	209	57	284	77

Total local authorities 367

- 1 Number of local authorities reporting activity to DOE regional offices, June 1981
- 2 Number intending to pursue schemes, as at June 1981, rather than the outcome
- 3 DOE figures for 1982/83 may exaggerate the number involved

Source: Forrest, Lansley and Murie (1984)

TABLE 6.2 Sales under the Low Cost Home Ownership Initiatives by Local Authorities in England

	LA Built for Sale	Building under Licence	Improvement for Sale	Homesteading	Sales on Shared Ownership	Sales of land for housing Ha	Estimated dwelling equivalent	Mortgage Indemnities (Number of Mortgages)
1979/80	870	n.a.	-	400 <sup>1</sup>	605	n.a.	n.a.	-
1980/81	1,825	n.a.	15	950	985	315	7,290	-
1981/82	945	2,300	145	1,510	830	345	7,980	140-
1982/83	610	3,305	350	1,460	860	460	10,535	1,745
1983/84	1,265	5,145	245	1,590 <sup>2</sup>	790	465	10,670	2,435
Total to 31.3.84	5,515	10,745	755	5,910	4,065	1,585 <sup>3</sup>	36,480	4,320

1 Estimate based on GLC sales in 1979/80

2 Excluding sale of 3,000 dwellings Cantril Farm Estate, Knowsley, to Stockbridge Village Trust

3 Incomplete total, not including missing figures

Source: Littlewood and Mason (1984)

TABLE 6.3

Number of dwellings sold in Low Cost Home Ownership  
schemes in England

	1979/80	1980/81	1981/82	1982/83 (1st Qu)	1979/80 to 1982/83 (1st Qu)
<u>Local authority</u>					
Building for sale	565	1140	3020	730	5455
Improvement for sale	-	15	145	95	255
Homesteading	400	950	1510	405	3265
Shared ownership	605	985	825	175	2590
<u>New towns</u>					
Building for sale	5	-	3050	1200	4255
Improvement for sale	-	-	-	-	-
Homesteading	-	490	210	25	725
Shared ownership	-	-	25	80	105
<u>Housing associations</u>					
Building for sale	-	-	-	-	-
Improvement for sale	-	30	655	250	935
Homesteading	-	-	-	-	-
Shared ownership	-	-	170	1255	1425
<hr/>					
Total	1575	3610	9610	4215	19010

Source: House of Commons, Hansard, vol 29, col 327-30,  
25 Oct 1982

TABLE 6.4

Low Cost Home Ownership Schemes by Housing Associations

Type of scheme	Completions 1982/83	Loan Approvals 1982/83	Cumulative Total 1980 to 1982/83
Improvement for Sale	1,562	3,560	6,207
Leasehold Schemes for the Elderly	531	1,303	1,857
Shared Ownership	3,125	3,822	7,076
Self Build	491	182	n.a.

Source: Housing Corporation, The Housing Corporation  
Report 1982/83

"insofar as such schemes are designed to have a specific impact on supply or access it may well be argued that a small scale impact is nonetheless significant" (Forrest, Lansley and Murie, 1984, 104).

Particular supply and access effects of LCHO schemes will be discussed in the review of research studies below, and in subsequent chapters.

There are two concentrations of building under licence and the sale of land to private developers. These are, first, new towns in which the measures are used to extend owner occupied housing stock, and, second, inner city local authorities. The widespread sale of land in inner city local authorities is likely to be linked to the large amounts of land in such areas which are on land registers and available for private development. However, it is difficult to ascertain how much of this land is located in the inner areas of such local authorities and thus how much may contribute to the urban policy objectives of LCHO schemes. Much of the land on the registers is seen by private housebuilders as unsuitable for private development (Grosskurth, 1983) and interest in inner city registers has been low in many areas where demand for owner occupied housing is low and there is an existing stock of cheaper, older private housing. Grosskurth, for instance, cites Gateshead where unemployment is high, incomes low, and the low demand for new owner occupied housing in the inner area is reflected in the lack of interest by housebuilders in the land register.

TABLE 6.5

Owner Occupied Stock in Glasgow

Year	Total owner occupied stock	Change in stock	New private housing completions	GDC promoted sites completions
1976	79,550		426	-
1977	78,120	-1,430	530	-
1978	77,461	- 659	347	17
1979	80,484	+3,023	817	351
1980	79,510	- 974	897	404
1981	79,719	+ 209	1,079	345
1982	79,128	- 591	1,201	588
1983	81,984	+2,856	1,299	675
1984	83,846	+1,862	1,324	698

Source: compiled from GDC Housing Department, Annual Housing Review 1984

TABLE 6.6

Private House Developments on GDC marketed land in Glasgow  
 (as at 31 March 1984)

	Number of sites	Hectares	Number of dwellings
Successfully promoted - complete or under construction	48	89	3,965
Successfully promoted - work due to commence	14	38.33	2,118
Marketed, awaiting response	9	19.21	777
Unsuccessfully marketed - problems	4	8.63	n.a.

Source: GDC Housing Department, Annual Housing Review 1984

Forrest, Lansley and Murie suggest that council house sales and the availability of improvement grants on older owner occupied housing have reduced the demand for new private housing in the inner city:

"There is no simple equation in which land registration or even sales leads rapidly to a development of land for private housing. What is happening is exactly what our knowledge of the building industry and the development process suggests would happen. Economic and social constraints are the key limiting factors and are not removed by the sale of land"

(Forrest, Lansley and Murie, 1984, 87).

However, in Glasgow, high levels of private housebuilding on land sold by the council in the inner city has occurred at the same time as wide scale rehabilitation of older tenement housing.

In Glasgow, the major LCHO initiative to encourage home ownership in the city has been the sale of land to private developers. Whereas from 1960 to 1975 56,797 public sector houses were built, only 2,271 owner occupied houses were constructed (Sim, 1985). The change in policy to widen tenure choice and attempt to increase the rate of owner occupation to the Scottish average, which in 1975 was about 33 per cent, meant that immediately after local government reorganisation 1400 private houses were approved on sites previously designated for council housing (GDC Housing Department, 'Housing Plan 2'). From 1976 to 1984, 7,920 new private houses were completed in Glasgow, of which 3,078 were on land sold by the council, that is 39 per cent of all housing completions for owner occupation (Tables 6.5 and 6.6).

At a more local scale, the switch from 'greenfield' to redevelopment sites is noticeable in the completion figures since 1980 (Table 6.7). These indicate that the market has turned increasingly to inner parts of Glasgow, as suggested by Sim (1985). Thus in 1980 only 12.3 per cent of completions were on redevelopment sites; by 1984 the figure was estimated at 78 per cent (Sim, 1985). However, there are two factors to be taken into consideration. First, structure plan policies have restricted development on greenfield sites in the Glasgow area in an effort to push new owner occupied housing onto 'brownfield' sites in inner Glasgow. Second, it is likely that a high proportion of redevelopment sites acquired by private housebuilders on non council marketed land were in areas of the city with a high demand for owner occupied housing and an established market, such as the West End.

Other council and housing association LCHO initiatives are relatively minor in scale in comparison to the sale of land. However, they are concentrated in inner areas, such as improvement for sale of older tenement stock which are necessarily located in such areas, or in peripheral estates, such as homesteading in post war council stock. Table 6.8 shows the extent of LCHO schemes in Glasgow completed by 1983 (at the time of the author's survey). Newbuild by private housebuilders on council marketed land includes those schemes at the lowest end of the new owner occupied market, mainly starter homes.

Since the Tenants' Rights Act of 1980, up to mid 1984, 2,998 Right to Buy sales of council houses have been completed, against a



TABLE 6.7

Private House Completions in Glasgow, by type of site

Year	New ( 'Greenfield' )		Redeveloped ( 'Brownfield' )		Total
	Number	%	Number	%	
1980	787	87.7	110	12.3	897
1981	568	52.6	511	47.4	1,079
1982	656	54.6	545	45.4	1,201
1983	586	45.1	713	54.9	1,299
1984 (est)	291	22.0	1,033	78.0	1,324

Source: Sim (1985)

TABLE 6.8

Low Cost Home Ownership schemes and sites completed in  
Glasgow, 1977-83

Schemes	Number of sites	Dwellings constructed
Newbuild by private housebuilders	20	1,639
Homesteading	4	261
Improvement for sale	2	40
Build for sale	1	170
Totals	27	2,110

Source: GDC Housing and Planning Departments

figure of 2,710 completions on land sold by the council to house-builders from 1980 to 1984 (GDC Housing Department, 'Annual Housing Review 1984'). The former measure was forced upon the council through legislation, whereas the sale of land was actively promoted in this period. LCHO initiatives are discretionary but are felt by the Labour controlled council to have a less negative impact on the council housing sector than the Right to Buy.

#### 4. A review of empirical research

The review includes studies of LCHO schemes undertaken on a national basis, such as a Department of the Environment study of all initiatives (Littlewood and Mason, 1984) and research on building under licence by Booth (1982), as well as research on individual schemes, for instance on building for sale in Liverpool (Department of Land Economy, University of Cambridge, 1980; Couch and Kokosalakis 1981; Grosskurth, 1982). Research on each LCHO measure in turn is discussed. In addition, the author's work on Glasgow is introduced although the survey results are used to a greater extent in chapters eight to ten.

A survey of 338 households buying into a sample of new schemes as undertaken in mid 1983 (Fielder 1985, 1986). Table 6.9 shows the sites and schemes included while Figure 6.1 indicates their location in Glasgow. The sample included the majority of LCHO housing in Glasgow which was complete and occupied at the time of the survey in 1983, excluding those surveyed in the GEAR project review (Lamont, Maclellan and Munro, 1984). A 50 per cent sample of complete and occupied houses for each site selected was attempted.

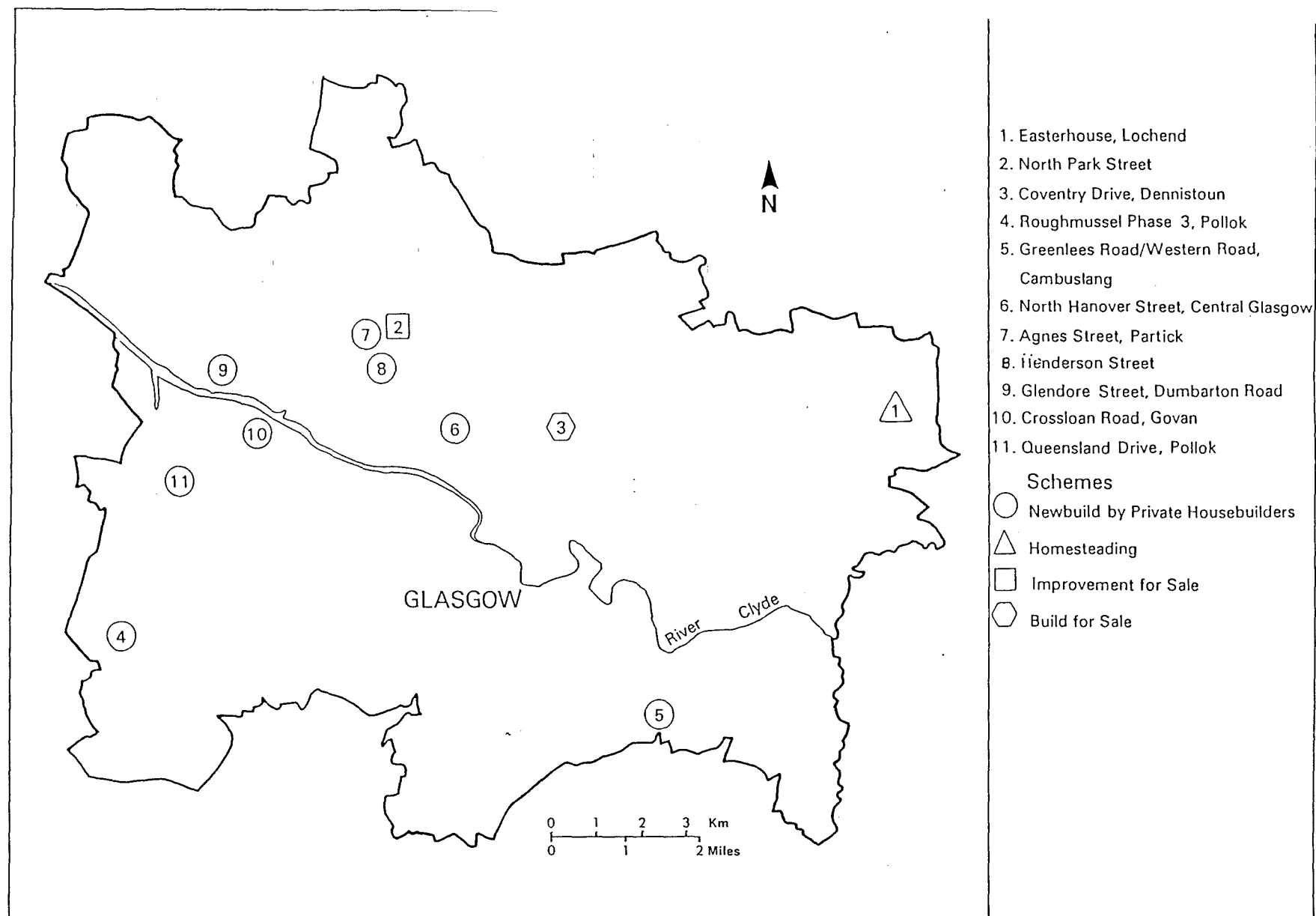


FIGURE 6.1. : LOW COST HOMEOWNERSHIP SURVEY SITE AND SCHEMES IN GLASGOW

TABLE 6.9 Low Cost Home Ownership schemes included in household survey, Glasgow 1983

Scheme	Site	Developer	Area (ha)	Number of dwellings	Density	Start date	Completion date	Number in survey
Homesteading	Easterhouse Lochend	Glasgow District Council		96		Jan 1982	Incomplete at June 1983	39
Improvement for sale	North Park Street Queens Cross	Queens Cross Housing Association		22		1981	1982	19
Build for sale	Coventry Drive Dennistoun	SSHA		80		1980	30.6.81	38
Private House- building on GDC marketed land	Roughmussel Phase 3 Pollok	Leech Homes	2.95	120	41	30.9.80	June 1982	48
	Greenlees Road, Western Road Cambuslang	Barratt	1.05	49	47	31.3.81	30.9.81	18
	North Hanover Street	Barratt	0.7	68	97	31.1.82	1982	21
	Agnes Street	Lawrence	0.71	48	68	30.9.81	30.9.82	23
	Henderson Street	Barratt	3.84	251	65	May 1982	Incomplete June 1983	47
	Glendore Street Dumbarton Road	Barratt	0.84	62	74	31.3.81	30.9.81	20
	Crossloan Road Govan	Whelmar	3.04	150	50	31.3.82	Incomplete June 1983	48
	Queensland Drive	Lawrence	0.97	57	59	31.1.82	30.9.82	17
Totals				1003				338

Site information from GDC Planning Department

The survey included eight newbuild sites, that is, starter homes built by private developers on land marketed by Glasgow District Council. Six sites were 'brownfield' or redevelopment, mainly in inner areas, whereas two were in 'greenfield' locations. Glasgow District Council's homesteading scheme in Easterhouse was also included, as was a housing association improvement for sale scheme and a Scottish Special Housing Association build for sale site which was part of the Association's programme to encourage owner occupation and alternative tenures to its publicly rented stock. Appendix one gives more detailed results together with a copy of the questionnaire used.

#### Newbuild schemes

The initiatives discussed include build for sale, partnership schemes (licensing) together with the sale of land to private developers. In line with the scale of implementation which favours this group of measures, the majority of research has been undertaken on new private housing schemes, especially in relation to the inner city. Most of these studies take a consumption oriented approach and examine the relationship between house type, household characteristics and housing costs. They are concerned with the effects of LCHO schemes on consumers and the extent to which initiatives are low cost.

At a national level, the Department of the Environment has carried out a survey of starter homes bought between 1975 and 1977 on eight estates (DOE/HDD, 1980). This indicated that starter homes tended to be smaller than owner occupied housing generally and

consisted to a large extent of flats. Purchase prices were less than the regional averages for building society financed purchases. The buyers consisted of a high proportion of young couples under 35 and some single people; most were new householders. Income levels were relatively low with 40 per cent of those surveyed earning less than average manual workers, as against 26 per cent for all home buyers in 1975. This meant that starter home buyers paid a higher percentage of their income, 30 per cent, towards their mortgage than the average for all first time buyers, 23 per cent, in 1975.

From the perspective of the local authority, Booth (1982) and Reeves (1983) detail a study for the Housing Research Foundation which involved a postal questionnaire to 55 English local authorities concerning licensing agreements with private developers for starter homes. They found that prices, in some cases discounted, affected the level of sales. Prices were not always low, for example, four authorities were selling houses at a higher price than the regional average for all new housing, and twelve fixed their sale prices higher than the average for first time buyers in their regions. No attempt was made to assess the wider objectives of the schemes.

Several studies have been undertaken on Liverpool's partnership schemes, instigated under the minority Liberal administration prior to 1983. These schemes were intended to bring back house-builders to the inner city to aid policies of urban regeneration. In a survey of households in one of the earliest schemes, Fulwood

Village, Couch and Kokosalakis (1981) note that the housing was intended for family or low income households, or for those with special needs, simply because of the type and size of the accommodation provided by the builder. The houses were offered to priority groups and 94 per cent of the sample had moved within Liverpool, the majority from the local area. Couch and Kokosalakis state that the scheme has not attracted people back to the city, although it may have reduced out migration. Buyers tended to be older than an average of all purchasers in Merseyside at that time, and the socio economic characteristics also differed. Most buyers were skilled manual workers, perhaps reflecting the narrow range of the housing available. In conclusion, Couch and Kokosalakis assert:

"the scheme does not, and never could, appeal in any quantity to the lower socio economic groups: the semi skilled and the unskilled; those who are traditionally least able to compete in the private housing market" (Couch and Kokosalakis, 1981, 471).

In a later study, Cullen and Turner intended "to provide a more comprehensive picture of the impact of the policy" (Cullen and Turner, 1982, 160) than Couch and Kokosalakis. Their survey covered two different partnership schemes and found that the housing characteristics affected the social composition and behaviour patterns of the new buyers. Two groups of purchasers were identified: the first, older, local families, the second, young 'upwardly mobile' people moving into the area. In terms of the policy objectives of attracting the young and active back to the city, stabilising

population, stimulating the local economy and reducing pressure on local authority stock, Cullen and Turner conclude that the schemes are successful, although priority categories are not aided to a significant extent.

Others would dispute this conclusion. Friend (1981), for example, discusses the Liverpool programme in combination with the effects of council house sales which have reduced popular housing types available for rent. In concentrating on private housing initiatives, Friend believes that there will be serious effects through the neglect of the public sector on council tenants and on those waiting for a council house. Grosskurth (1982) has examined Liverpool's policy in terms of its inner city objectives and arrives at different conclusions to those of Cullen and Turner. She shows that the build for sale programme had little impact on housing provision and tenure structure in numerical terms in the whole of the city, yet has entailed a mini boom in private sector housebuilding in inner Liverpool. In addition, home ownership increased from 28 per cent to 39 per cent in inner Liverpool between 1976 and 1981, as against the national increase from 53 per cent to 57 per cent in the same period. However, this was at the cost of a dramatic decline in private rented housing and in council house building.

Grosskurth notes that there was no strict adherence to making new housing available to priority groups. Even if this did occur, the majority of such households would be unable to afford to buy, or would be otherwise unable to obtain a building society mortgage. She also notes that there was lower priced alternative owner occupied



housing available to lower income households in the form of older terraced stock. Only a small proportion of council houses were vacated by new buyers and this was overwhelmed by the loss in stock through council house sales and demolitions in the clearance programme.

In Grosskurth's analysis, the Liverpool schemes do not appear to be particularly successful in attracting skilled workers back to the inner city, partly because of the availability of similarly priced suburban housing in more attractive locations. The decline in Liverpool's population has continued. She also notes that attracting more affluent workers back to the city is also part of a policy to induce social mix. However, private new estates are carefully segregated from the surrounding area by developers in order to maintain market demand.

Building for sale in Liverpool was also aimed at inner city regeneration. Yet Grosskurth argues that firm closure and unemployment continue to rise and the effects on population retention are uncertain, although there is an environmental effect in developing derelict land. She concludes that reliance on the exaggerated objectives of the programme "may chiefly have served to divert attention from more urgent housing and inner city problems" (Grosskurth, 1982, 198).

In Birmingham, land has been sold by the council to private developers since 1978 (Edwards, 1982; Edwards and Choudhary, 1982). The aim was to encourage home ownership in the inner city and

to meet urban policy objectives at the same time as minimising public expenditure. No conditions on the sale were stipulated. A survey of newbuild buyers found that most were first time buyers from the local area and were relatively young. There was a high proportion of single people as well as families with or without children. Nearly all buyers had previously lived in owner occupied housing, either with their parents or they were moving up within the owner occupied sector.

Edwards (1982) suggests that the Birmingham schemes had retained people in the inner city who may have moved out and that the policy was successful in meeting the inner city objectives of developing derelict land, encouraging private investment and extending the range of dwellings and tenures in inner Birmingham. However, he expressed reservations concerning the site size. Edwards recommended that redevelopment sites should be large, since on the smallest site in Birmingham (22 houses) residents felt vulnerable as 'rich people' living in an area of post war council housing or pre 1919 terraced housing. In addition, adjoining derelict land would also require action to improve the environment of inner areas.

The Joint Docklands Action Group (JDAG, 1982a, 1982b) carried out a survey of a private housing scheme on land sold by the London Docklands Development Corporation (LDDC) to a private developer. As well as examining the objectives of the LDDC in this matter, JDAG looked at the effect on the housing objectives expressed in the district plan for the area, Beckton. The mainly small

type of housing provided in the scheme attracted few families, and most new residents intended to move within a few years. Therefore, the report notes that the scheme has not attracted people who will remain in the area, neither has it encouraged a stable community (although group stability is different from individual stability). The new buyers had a higher income level and a much lower unemployment rate than existing Beckton residents and only a minority had been on a council waiting list or had vacated a council house.

Docklands regeneration on a permanent basis is the primary aim of the LDDC. Home ownership is a major tenet of this policy, in bringing back the young and skilled and thus providing a source of labour for incoming employers. Yet only 36 per cent of purchasers in the new private housing scheme worked in Docklands and most were professional and non manual workers. JDAG concluded that the LDDC policy is not successful in its own terms, nor does it benefit local people.

In Glasgow, new private housing initiatives have been encouraged in the Glasgow Eastern Area Renewal project as part of a policy of urban regeneration, as discussed above. As part of a review of progress, Lamont, Maclellan and Munro (1984) undertook a survey of new schemes. They suggest possible benefits of new housing construction in GEAR as arising from the building activity itself, from increasing private investor and consumer confidence in the East End of Glasgow, from widening housing choice and from setting up multiplier effects. From their household survey, Lamont, Mac-

lennan and Munro concluded that the type of housing provided, that is non tenemental, differed from the existing GEAR stock, as did the mean price, which was four times as high as the average for owner occupied tenement housing in the area. Most households were relatively young, first time buyers, in non manual occupations and with higher incomes than most GEAR residents. Although buyers were subsidised through land prices to private developers, this was a 'once and for all' subsidy, thus resale prices may well be even higher.

The author's survey of households in LCHO schemes in Glasgow included eight newbuild sites on land sold by the local authority throughout the city. Household characteristics were similar to those found by Lamont, MacLennan and Munro. For instance, 38 per cent of buyers on these newbuild estates were young single or two person households under 30; 70.2 per cent were first time buyers. Although 49.4 per cent of all adults employed were in non manual occupations, there was also a high percentage, 33.5 per cent, in skilled manual work. Average household income was high at £9,500 per annum in 1983.

Forrest, Lansley and Murie (1984) conclude an appraisal of building for sale by making three points. First, they stress the complexity of policy objectives which are not necessarily concerned with providing low cost home ownership. Second, where priority groups (such as council tenants and waiting list applicants) are identified for the sale of houses, the schemes do not provide cheaper housing than older owner occupied property in the area; many purchasers

are not first time buyers, or they could afford to buy elsewhere. Last, Forrest, Lansley and Murie note that where there is no priority grouping private developers are adding to the owner occupied stock which is beyond the means of those unable to buy elsewhere and broadens the choice of housing only for those already able to buy.

#### Improvement for sale

Less research has concentrated on improvement for sale as one of the LCHO measures, due mainly to the lower level of implementation and the smaller size of the schemes, in comparison with the newbuild initiatives discussed above. The majority of improvement for sale schemes are carried out by housing associations in inner areas on pre 1919 housing (Smith, 1986).

Birmingham's Purchase and Improvement Mortgage Scheme (PIMS) has pioneered improvement for sale policy in Britain. The PIMS scheme began in 1976 with the sale of unimproved housing to individuals and progressed to the more popular sale of fully improved pre 1919 housing with council mortgages, from 1978. Edwards (1982) and Edwards and Choudhary (1982) detail a survey of PIMS purchasers undertaken in 1980 in which all households were first time buyers consisting mostly of young families who were previously living in council housing in Birmingham. This reflected the priority grouping for the sale of PIMS housing. Many had lived in council estates in outer Birmingham and PIMS had attracted them back to the inner city. Price and house type were the main reasons for buying; house prices were relatively low. However, the buyers

were well off in comparison with the majority of private and public sector tenants. Edwards suggests that the cost of PIMS to the council could have been spread more effectively by improving a wider range of housing in the inner city.

Smith (1982, 1986) has examined improvement for sale by housing associations. He notes that despite the small scale of the programme, improvement for sale has had a role in improving older housing. However, in terms of providing for those in need, improvement for sale housing has not been sold widely to council or housing association tenants or waiting list applicants. Smith also questions the quality of improvement which is limited by the level of grants available to housing associations. Improvement for sale thus avoids the worst housing areas. Housing associations, limited through financial constraints to the better older housing areas, are finding prices of unimproved property rising due to the interest of private builders in individual improvement. This has affected acquisition costs for the associations and eventual sale prices of the schemes. A study of York has found similar effects in concentrated areas of improvement (National Federation of Housing Associations, 1981).

A Department of the Environment study (Kirkham, 1983) found a variety of house sizes included in improvement for sale schemes, although the majority were pre 1919 terraced houses. The price range, based on market value, therefore reflected the different house sizes and a large proportion of properties would not be affordable to low income households. Most buyers were non manual

or skilled manual workers, and, as would be expected, in higher priced schemes, higher incomes prevailed.

As part of the author's survey of LCHO schemes in Glasgow, purchasers of a housing association improvement for sale scheme were interviewed. The scheme, by Queens Cross Housing Association, consisted of 22 one and two bedroom pre 1919 tenement flats priced from £11,000 to £15,500 in November 1981, and similar to other tenement prices in the area; 19 households were interviewed. As expected from the size of the flats, most of the buyers, 13, were two person households, 12 of which consisted of people aged under 30. There were three unemployed people, three students and one retired person amongst the 35 adults. Largest individual income per household averaged only £4,500 pa although total household income was about £8,000 pa, indicating a preponderance of two wage earners per household. Half were new households and of the remainder, six were previously in privately rented accommodation. Of the 22 purchasers, only six were from priority groups, that is, Queens Cross Housing Association tenants or on the waiting list; the remainder of the flats were sold on the open market (Queens Cross Housing Association, 1982). Although the housing in the scheme catered for some needs and was bought by lower income groups than newbuild schemes in Glasgow, it was no cheaper than existing older housing and thus was not extending home ownership down the income scale.

### Homesteading

The Purchase and Improvement Mortgage Scheme in Birmingham was initially a homesteading scheme, but was later converted to improvement for sale due to the limited number of people willing to repair and improve housing themselves (Edwards, 1982). Another early homesteading scheme was initiated by the Greater London Council. In a study of their homesteaders, the Council (GLC, 1982) found that most knew people in the building trade or were able to do much of the repair and improvement work themselves, suggesting that homesteading is likely to remain on a small scale.

A survey of homesteading in Northern Ireland is discussed by Cartmill and Singleton (1984). The Northern Ireland Housing Executive is a comprehensive housing authority, a government quango which is obliged to consider both public and private housing over the whole province. It has instituted a number of LCHO schemes, including the sale of sites to private housebuilders, improvement for sale, equity sharing and homesteading. The latter, dating from 1980, is aimed at first time buyers normally excluded from home ownership. It attempts to return abandoned property to the housing stock and to stimulate area improvement in the inner city. The survey concentrated on Belfast where a quarter of homesteaders had been living outside the city prior to buying. Most were young couples. Cartmill and Singleton suggest that these characteristics accord with the Housing Executive's overall objective of population balance and community stability in inner Belfast, especially since most homesteaders had no intention of moving out in the future. The majority were first time buyers, and 19 per cent of heads



of households were unemployed. Therefore, lower income groups were gaining access to home ownership. Prices, which ranged from £150 upwards, aided this. In combination with other private sector schemes, homesteading was helping to increase the rate of growth of home ownership. At the same time, waiting lists for public sector housing has declined. However, the authors note that private sector housing policy is combined with extensive public sector housing expenditure on new building, improvement and redevelopment, unlike that available to British local housing authorities.

In Glasgow, homesteading is aimed at widening tenure choice and creating social and economic stability in particular parts of the city, as well as meeting housing needs. It is also one solution to vacant council units and has been used as a 'pump primer' to attract other private housing to the area. Homesteading has involved the sale of mainly dilapidated post war council flats in a particular scheme in Easterhouse, one of the large peripheral estates in Glasgow. A survey of the first phase of the scheme was carried out by Glasgow District Council in 1981 (GDC Housing Department, 1983a). The average income of the 40 household sample was about £5,300 pa. Many were skilled manual workers or junior non manual employees and had already been living in the area as council tenants. External improvements of the blocks of flats were made by the council, with grants or loans available to the individual buyer, above the discounted price of £4,500 in 1981, for internal repairs and improvement. All applicants had to be either council tenants or on the waiting list. In the centre of a large peripheral estate, previously consisting entirely of council housing, the homesteading

scheme was certainly extending home ownership in the area. It was catering for a majority from the council house sector who were prepared to buy, repair and improve a system built flat which was a dilapidated shell.

The author's survey of 39 households in a further phase of the Easterhouse homesteading scheme yielded similar household characteristics. In particular, homesteading, due to its low price, was catering for low income groups in comparison with other schemes included in the LCHO survey. Yet the limited scale (Table 6.8) and the necessity of a stable income in order to obtain a mortgage limited its potential for extending owner occupation to low income groups.

#### Shared ownership

Shared ownership, or equity sharing, can be combined with any of the other LCHO measures and is aimed at providing the potential for those otherwise unable to get a mortgage to buy, through purchasing part of the equity and renting the remainder, with the option of increasing the share of the equity later. A Department of the Environment survey of shared ownership in 1981 (Allen, 1982) indicated that many households had previously experienced difficulties in trying to enter the owner occupied housing market. Of 920 households interviewed, many had come from the council sector. A large number had tried to buy before but were unable to obtain a sufficient mortgage or could not find a suitable house at a price they could afford. Yet the market prices of the houses bought under shared ownership schemes were not low, ranging from £9,250 to £30,000 in 1981.

One reservation about the scheme itself is the staircasing element, which allows eventual total ownership through staged increases in the equity. This would require a rise in mortgage repayments, when for most other home owners the real mortgage costs decrease over time (with the effects of inflation):

"whilst the same is true for shared owners in respect of the portion of the equity that they own, shared owners are likely to find that on the portion they do not own both the rent element and the costs of purchasing additional shares increase - and may increase more rapidly than incomes" (Allen, 1982, 12).

As house prices increase, the share which they do not own becomes more expensive to buy:

"As households spend longer in these dwellings without achieving full ownership, and if their personal finances are not improving adequately, the possibility of purchasing the remaining share is likely to diminish as the mortgage required to do so increases" (Allen, 1982, 15).

This is not due to the shared ownership scheme itself, but to a current characteristic of the owner occupied housing market, for house prices to increase over time.

Do It Yourself Shared Ownership (DIYSO) and 'off the shelf' shared ownership schemes by housing associations, as discussed in chapter two, are recent trial schemes which have not been extensively evaluated. However, Forrest, Lansley and Murie (1984) note that one particular benefit is the element of individual choice in the housing involved.

A particular scheme in Northern Ireland, similar to DIYSO, has operated for six years (McPeake and Butler, 1985). The Northern Ireland Coownership Housing Association was set up to enable lower income groups to buy through equity sharing. A buyer who earns less than £7,500 pa must find a new property priced at less than £25,000, or, in Belfast, where there is less new housing available, an older property for less than £20,000. The individual must also arrange a mortgage on at least 50 per cent of the equity. The rent paid to the Association on the remainder is discounted, since maintenance is excluded.

McPeake and Butler analysed the Association's records of clients. Many were from the public sector, with some privately renting and a high proportion living with parents. Unlike the range of occupations of shared owners in the Department of the Environment study (Allen, 1982), Northern Irish shared owners were almost entirely from intermediate non manual and skilled manual groups, perhaps due to the high level of public sector employment in the province. Of almost 5,000 people buying, only 35 repossessions have been made in an area of exceptionally high unemployment; rent arrears were 10 per cent of collectable income. This reflected the income and employment structure of the households in the scheme. It seems that those who were buying would have entered home ownership but at a later date than shared ownership had allowed them to do. Because such a high number of shared owners were previously public sector tenants, 300 to 400 public sector (Northern Ireland Housing Executive) vacancies a year have been created through the scheme, which has a beneficial effect on waiting lists. Since

the scheme is geared towards new housing, the construction industry has an interest in its success and continuation.

A study by Brent Housing Aid Centre (1982) evaluates several LCHO measures, including shared ownership, from the point of view of their applicability to council waiting list applicants. Only shared ownership seemed to be a viable option for a large number of applicants or council tenants wanting to move into home ownership.

Armstrong (1986) reports on a pilot study by Scottish housing associations for the Housing Corporation, termed share ownership off the shelf (SOOTS). New houses and flats were bought by seven housing associations for shared ownership housing. Armstrong points to the problems of administration and also of targetting the scheme to those who could otherwise not afford to buy:

"Paradoxically, if it is successfully targetted at these groups, and not to those who could afford to buy on the open market, staircasing to full ownership may be delayed for some considerable time. If so, shared ownership should be seen as a new form of tenure in itself, rather than as a route to full ownership" (Armstrong, 1986, 116).

Littlewood and Mason (1984) report an extensive survey covering all types of LCHO initiatives carried out for the Department of the Environment to assess the effects on the extension of home ownership as part of government policy. 866 households were included and the report indicates that the initiatives were successful for the purchasers themselves. Littlewood and Mason note that

LCHO schemes provided alternatives to the public rented sector with 30 per cent of buyers previously council tenants, yet they make no mention of the effects of other elements of government policy on the council sector nor of the effects of LCHO policy on those remaining in public sector housing. LCHO housing was on average 17 per cent cheaper than the average price paid nationally by first time buyers. However, average income for LCHO purchasers was £9,300 pa in 1983 as against only £8,000 pa for all first time buyers with building society mortgages, although these two figures are not brought together or examined in the report. It is clear, although not stated, that housing in the 'low cost' schemes is not primarily reaching low income households, nor extending home ownership to those otherwise unable to buy.

## 5. Conclusions

From a discussion of research on LCHO policy measures we can conclude that they should not be referred to as a whole as 'low cost'. Nevertheless, the terms LCHO is used in the context of an evaluation of the policy and the objectives applied to the package, rather than to individual measures within it, such as the extension of home ownership, widening tenure choice and helping to regenerate urban areas. Chapter seven examines some of the issues raised by the review of research studies, prior to an analysis of the wider policy objectives in chapters eight to ten.

The use of research studies on LCHO in this chapter is not intended as an exercise in comparative research. Each study is carried out in a specific context which cannot be replicated elsewhere

and is thus not directly comparable. In Glasgow, for instance, LCHO policy is implemented in specific local political, economic and social circumstances, within the national context. The actions of people, such as local policy makers or LCHO buyers, are also dependent on the specific context. Further, the interpretation which the researcher places on the object of study is an important problem for all social science research (Dickens et al, 1985). Nevertheless comparative analysis is of use in research into LCHO policy. For instance, an international comparison of home ownership trends can question assertions made in this country as to the social and economic effects of the tenure (and is used in chapter four). It can also aid in indicating some common ground between different research cases, and therefore in identifying contingent conditions.

1. Introduction

'Low cost home ownership' as a policy means that the costs of buying a home should be minimised through the implementation of the policy measures. That is, emphasis is on helping the consumer lower down the income scale through price subsidies and the availability of finance. The policy is however limited in one important respect; it concentrates on entry to home ownership. LCHO policy does not take account of what happens to those on lower incomes when they become home owners. It also ignores the issue of what happens to the subsidised housing when it joins the housing market and is no longer part of a LCHO scheme. Karn, Kemeny and Williams comment on low income owner occupied housing provision:

"it is important to note that they are all primarily constructed merely to ensure a flow of cheap, new and existing property into that tenure. As such they do not address the question of what happens to that property when it joins the owner occupied market and is again priced at normal market levels, nor do they tackle the question of low incomes" (Karn, Kemeny and Williams, 1986, 149).

Chapter six has shown that LCHO schemes do not necessarily provide housing for low income groups.

This chapter examines some of the issues surrounding LCHO policy. I discuss the relationship between housing provision and consumption in LCHO schemes in two ways. First, the effects of LCHO housing provision on buyers are discussed. This includes the contribution



of LCHO policy to the increasing problem of mortgage arrears. Second, the actions of private sector agencies involved in the production and exchange of housing in LCHO schemes are investigated. Private housebuilders and building societies (and banks) have a commercial interest in LCHO policy.

## 2. The new home owners

The results of various studies discussed in chapter six have shown that prices attached to housing in LCHO schemes are usually higher than existing older, often pre 1919, owner occupied housing. It is only the particular measures of improvement for sale and homesteading which provide housing at a comparable price level, for example, in Glasgow. Part of the reason is the comparable housing type, in combination with the government subsidy on improvement work. Shared ownership is also catering for some marginal home buyers (Allen, 1982).

Most LCHO scheme prices do not allow people previously unable to buy to become owner occupiers. Yet Littlewood and Mason (1984), in a survey for the DOE, indicate that LCHO housing was on average 17 per cent lower than price levels for all first time buyers. This appears to show that LCHO is lowering the costs of home ownership for first time buyers. However, results from the author's work on LCHO in Glasgow, compared with Glasgow University surveys of owner occupation in the city (see, for example, MacLennan and Munro, 1986), find that the majority of first time buyers were buying below the average price level of new housing included in LCHO schemes. MacLennan and Munro (1986) suggest that new buyers

have been encouraged to purchase older tenement flats (the pre-dominant pre 1919 housing stock) in Glasgow through the availability of repair and improvement grants, together with the more favourable policies of building societies in lending in inner areas.

Despite this, it can be argued that LCHO measures, by increasing the supply of owner occupied housing, enable more people to enter home ownership. Even if LCHO does not provide the lowest cost housing, more people would be able to enter owner occupation through others 'filtering up' from lower priced older housing. However, Karn, Kemeny and Williams (1986) provide little evidence that this process occurs. Their evidence, from data up to 1980, on mortgage costs, housing condition and the costs of repair and maintenance of cheaper, older, inner city housing, together with comparative price increases in relation to other owner occupied houses, suggests that "inner city home ownership ... was more of a trap than a spring board" (Karn, Kemeny and Williams, 1986, 166). The rate of lending by building societies to home owners in inner Liverpool and Birmingham was much lower than the rate for all home buyers; that is, there are more unconventional sources of mortgage finance in inner city areas. For many people, with costs of repair and maintenance combined with low incomes, home ownership did not provide an investment, and capital gains would be unlikely in the event of sale. In addition, house price inflation was much lower in the study areas than the national and regional rates. However, MacLennan and Munro (1986) note that in Glasgow, for the period 1976 to 1980, house price inflation rates were high in the second to fourth price deciles, which cater for the

majority of first time buyers. Yet the lowest price decile is excluded from this trend.

We have already stated that LCHO policy may be effective in lowering entry costs to home ownership through public subsidies. The policy is thus short term, in three possible ways. First, a lower income buyer is more likely to have problems in meeting the running costs of home ownership and any decrease in income may have serious effects. Second, upon resale, a property is no longer specially subsidised and thus no longer provides potential low cost entry to owner occupation. Third, costs may be reduced through minimising standards of construction or improvement. Thus repair and maintenance costs may be high in the long run, although in the short run the housing may appear to provide a maintenance free alternative to older, cheaper inner city housing.

MacLennan and Munro (1986) have argued that macroeconomic circumstances, which have been unfavourable to home owners, especially the first time buyers, have necessitated government action through, for example, LCHO initiatives, to help fulfil the aim of extending home ownership. This brings into question the contradictions in LCHO policy resulting from the unfavourable macroeconomic conditions of high real interest rates, declining real incomes and rising unemployment. Doling suggests that:

"to extend market provision during a period of economic recession and, for many, falling real incomes means that it is likely to be at the expense of much individual failure. Arguably the period to extend owner occupation is not when

fewer people can afford it, but when more can" (Doling, 1986, 187).

Although, as shown in chapter six, many LCHO buyers are relatively well off, some may have entered home ownership prematurely (as discussed in chapter eight). The weakness of the policy is that it aims to help people to enter owner occupation without regard to the consequences (Karn, Kemeny and Williams, 1986). As more and more people on lower incomes become home owners, exacerbating such problems as housing condition, as well as mortgage arrears and reposessions, then the government argument of benefits accruing to the extension of this tenure will become increasingly untenable. One such questionable benefit is that home owners will take more care of their property. However, Doling (1986) finds that, despite an increase in owner occupation, there has been no association with any improvement in housing condition. On the contrary, conditions of owner occupied housing stock have deteriorated in greater proportion than the tenure's share of total housing.

In addition to satisfying a lending institution that s/he is able to meet mortgage repayments, a buyer must also take account of the other costs of owning, rather than renting, including rates, insurance and maintenance costs. Those on lower incomes will tend to postpone repairs (Karn, Kemeny and Williams, 1986, 164; Doling, 1986, 186). Karn, Kemeny and Williams find that repairs and maintenance were considered by owners as the major disadvantage of buying as against renting. Such problems may be applicable only in the long run for buyers in LCHO schemes, especially those in new housing (but see the discussion of building and improvement

standards, below).

Another aspect of low income owner occupation is the greater possibility of mortgage arrears. In addition to an increasing number of people on lower incomes being attracted to home ownership, existing owners may experience a fall in income. Merrett (1982) lists the categories most likely to experience mortgage arrears. On the one hand, those with a constant level of income may, first, have problems with household budgeting, or, second, borrow too much, perhaps taking out a second mortgage, or, finally, the household expenditure may increase due to, for instance, mortgage rate increases or repair and maintenance costs. On the other hand, Merrett suggests that a fall in income leading to repayment problems may result from loss of employment in the household, or from a break up, usually associated with separation or divorce. Doling (1986, 186) gives the number of mortgagors receiving Supplementary Benefit as 98,000 in 1979; this figure had doubled by 1981. It should also be noted that Housing Benefit is payable to home owners only on the interest portion of their monthly mortgage repayments.

All these factors combine towards the increased evidence of mortgage arrears (Karn, 1983; Doling, Karn and Stafford, 1985). Karn (1983), using Building Society Association figures, indicates that arrears doubled between the end of 1979 and June 1982. However, these statistics are only available for arrears over six months; the crucial period of three to six months is ignored. Forced sales or even repossessions may occur during this period and many arrears will not appear in the Association's figures. Despite these problems

Karn proceeds to analyse the situation. The proportion of local authority mortgages in arrears remains higher than that of building societies. This may indicate the relatively low risks taken by the latter in lending. Yet building societies have more repossession per hundred serious arrears cases than local authorities. Mortgage arrears tend to vary spatially. For example, Karn has found a dramatic increase in arrears in the West Midlands, where unemployment has been rising more than in any other region.

Borrowers who are in arrears of six months are likely to face enforced sale or repossession by the society or local authority. This tends to occur with a court action pending or carried through. Doling, Karn and Stafford (1985) have studied Coventry Crown Court actions which indicate that the problem is not confined to the lowest price sector of the housing market, although it predominates in this sector and affects manual operational groups in particular. Those who are forced to leave their homes may find rehousing difficult. Councils often find such people intentionally homeless and privately renting or staying with relatives may be the only immediate alternative.

By concentrating on entry costs, LCHO schemes are particularly aimed at first time buyers, and especially at young, small households. However, no account is taken of subsequent movement out of starter homes, into larger accommodation with changing household size. Policy assumes that the major obstacle is entry to home ownership, that the benefits of the tenure will accrue for all new owners. Transaction costs for movement within owner occupation

are of increasing importance for existing owners (see, for example, McQueen, 1983) who need to move to a different size or type of housing. The high cost of moving may trap people in their own housing and is another reason to question a policy reliance on 'filtering'.

LCHO is a short term policy in that the schemes provide a one off subsidy for lower income households. The schemes, which increase the supply of owner occupied housing, cannot guarantee prices and access for subsequent buyers. The only way in which prices may be reduced in the long term is "by reducing scarcity and/or standards" (Karn, Kemeny and Williams, 1986, 159). Although some schemes are experiencing resale difficulties, for example, Ledward (1986) gives evidence of a build for sale estate in inner Liverpool and there is an indication on an improvement for sale scheme in Shettleston, Glasgow, if houses do not sell well in the local market, the subsidy disappears with the first buyer:

"in the longer term, there is an irony that a successful new initiative will inevitably destroy the subsidy which created it, that is when initiatives are resold, if they have become integrated with local housing markets, then the seller captures all the value of the initial discount or subsidy and transfers it upmarket as they (sic) sell and move onwards" (MacLennan and Munro, 1986, 240).

Therefore, in the long run, those with low incomes will continue to have difficulty in finding good quality owner occupied housing.

Booth and Crook (1986) note that LCHO initiatives depend upon a subsidised entry price or on lower housing standards. The latter is prevalent in starter homes on land sold by local authorities to private developers. Starter homes provide low cost housing at high residential densities as well as minimum internal space and finishing standards. The small house types resulting are provided by housebuilders to meet the increasing demand by single and two person households. But there has been resistance by planning authorities to the reduction in space standards. For example, in Glasgow, Barratt's studio flats, which are effectively bedsits, were eventually approved, after initial resistance on the grounds of lack of internal space. Central government has encouraged this reduction in standards in a report on starter homes (DOE/HDD, 1980). Table 7.1 from the author's survey of new housing in Glasgow shows the dissatisfaction of buyers with space standards. This is particularly notable in the case of Barratt's buyers.

In addition, new housing of a poor standard can lead to repair and maintenance problems for low income buyers. Some types of starter homes which reduce standards will remain at the bottom end of the market, and could succeed poor quality inner city stock in the long term (Booth and Crook, 1986, 256). Indeed, in the author's survey of LCHO housing in Glasgow, 23.1 per cent of respondents were dissatisfied with construction, improvement or finishing standards. New starter homes are not the only LCHO scheme in which standards can be questioned. Improvement for sale, due to the limitation on government grant available to the renovating authority, may mean inadequate improvement and lead to repair



TABLE 7.1

Low Cost Home Ownership Survey - Space Standards in Newbuild  
Housing  
Glasgow 1983

Builder	Number of households in survey	% of households identifying lack of space as a problem
Barratt	106	20.8
Leech	48	10.4
Lawrence	40	7.5
Whelmar	48	6.3

and maintenance problems for the new buyer (Smith, 1986).

Lower standards may be more acceptable to first time buyers with the availability of incentives from the developer, such as furniture and fittings. However, such benefits are effectively included in the purchase price leading to a possible loss when the house is resold. For example, the Anglia Building Society, in 1983, estimated that sellers may make a loss of up to £5,000 on starter homes resold within a year ('Sunday Times', 11 Dec, 1983).

Different measures included under LCHO consist of different house types. In the author's Glasgow survey, the housing provided tended to be small, 87.9 per cent of three apartments or less, although some family sized accommodation was included in newbuild schemes. Homesteading, which consisted of previous council flats and, therefore, was built to public sector space standards, was the most spacious. The concentration on small housing by private house-builders in the city is to meet the market demand of an increasing number of small households. For instance, there is a peak in the population distribution in the 10 to 29 age group in Glasgow (Census of Population, 1981). Not only is there a peak in the household forming age groups, which is likely to last for the next 10 to 15 years, but an increasing proportion of the population is forming one and two person households. Thus the need for starter homes will continue after the population peak has subsided. The rate of marriage breakdowns continues to rise and more young people, particularly women, are living on their own.

However, there are four caveats to the provision of starter homes included within LCHO schemes. First, many small households will not be able to afford to buy into LCHO schemes, as shown in the evidence in chapter six. Second, although the schemes cater for some single women, those with children are unlikely to be catered for, due to house type and size as well as cost. Third, it may well be that there is a certain level of demand for particular types of housing provided in LCHO schemes in areas such as inner Glasgow or Liverpool. Last, the continuing growth in the elderly population means that an increasing number of older small households, often needing special house types and facilities, will need to be catered for. Some developers are building for this type of demand in providing sheltered housing schemes, for those who can afford it. Forrest, Lansley and Murie (1984) make the point that elderly people are interested in the costs of use, rather than the purchase price, if they are previous owner occupiers and have cash from the sale of their old house. This contrasts with the needs of many young single people, limited to one income with a minimal deposit, who will want a small flat which is easy to maintain. This type of housing is already being provided by the private sector and LCHO schemes do not extend the supply to those on lower incomes.

"It could be argued, moreover, that the projected bulge of single persons in the 20-34 age group over the next decade and the continuing growth of elderly persons suggests the need for forms of housing provision more akin to present forms of renting than owning. In this context much of the political effort being channelled into low cost home owner-

ship schemes may be misdirected" (Forrest, Lansley and Murie, 1984, 133).

The type and costs of housing in LCHO schemes does not meet the needs of the majority of small households. Kleinman and Whitehead (1985), in an examination of trends and preferences in owner occupation, show that single people and those in lower income groups are less likely to prefer owner occupation than other households. They suggest that this is due to the characteristics of owner occupation and the constraints of owning. In dismissing current policy initiatives to extend home ownership, Kleinman and Whitehead believe that:

"it is changes in income and the distribution of that income (including the extent and distribution of unemployment) which will be the key variables determining the level of owner-occupation in the longer term" (Kleinman and Whitehead, 1985, 163).

This point is supported by MacLennan and Munro (1986, 221) who examine the period 1964 to 1979 and conclude "that expansion in ownership was sustained by income growth".

It is likely to be the increasing difficulty of finding suitable sites for new private housing which will limit the extent of schemes in inner areas. For instance, in Glasgow, private developers now complain of a lack of good sites, in terms of size and ground conditions (GDC, Housing Promotions Manager). The sale of land allocated for housing to the private sector also represents a cost in terms of a lack of sites for future public sector provision.

Public sector housing will have a more direct impact for low income households than does the provision of new private housing for owner occupation.

### 3. Private sector agencies

I have already discussed LCHO in terms of local and national policy aims and the effects on particular groups of consumers. This section examines the actions of private sector agencies involved in LCHO schemes, in particular private housebuilders and mortgage institutions. The former group<sup>1</sup> is concerned with the provision of new housing in LCHO schemes, whereas the latter provides finance for purchasers in all schemes. In contrast to the consumption led thesis outlined above and attributed to MacLennan and Munro (1986), that LCHO policy was necessitated by adverse macroeconomic and housing policy conditions acting on the consumer, a more production oriented approach is discussed.

Although new house building through LCHO schemes has had little impact on the overall level of national housebuilding activity, its local effects may be great. For example, in Glasgow, 53 per cent of private house completions were on council promoted sites in 1984, and it is estimated that inner city 'brownfield' sites comprised 78 per cent of all private house completions in the city in the same year (Sim, 1985). Since 1978, when private housing completions were only 347 in Glasgow, completions have risen to 1324 in 1984 (Table 6.5).

It can be argued that this increase in private housebuilding inside Glasgow, encouraged through Glasgow District Council's policies and Strathclyde Region's Structure Plan policy of restricting greenfield development, has merely transferred new private housing from outside the city. For instance, Table 7.2 shows that total private housebuilding in Glasgow and the surrounding districts has fluctuated little in the period 1976 to 1982, whereas the rising number of private house completions within the city has compensated for a fall in completions elsewhere. National figures, for newbuild LCHO schemes in England suggest that most of the housebuilding would have occurred without such measures. For example, Reeves (1986), using Local Housing Statistics (DOE, various dates), shows that over 75 per cent of building under licence sites were infill or greenfield, and that over 60 per cent of houses sold under the scheme between April 1981 and December 1983 were in new towns.

It is often argued that various constraints combine to exclude the private housebuilder from inner areas of towns and cities. For instance, the National Economic Development Office report (1971) listed impediments to private housebuilding as the expense of land acquisition, physical development problems, uncertain demand, and the availability of more profitable opportunities elsewhere. Grosskurth (1982) ranks the housebuilders' perceptions of constraints in Liverpool as land value, the disposal of land by public authorities, low market demand, physical development problems, low risks elsewhere, and, finally, raising development finance. National and local government planning and housing policies

TABLE 7.2

Private Sector House Completions in Glasgow and Contiguous Districts

	1977	1978	1979	1980	1981	1982
Bearsden and Milngavie	153	205	151	94	113	95
Clydebank	135	52	33	5	4	-
East Kilbride	70	79	123	311	153	125
Eastwood	163	215	221	200	137	157
Hamilton	229	228	245	119	182	192
Monklands	161	293	176	77	159	69
Motherwell	134	197	580	375	318	331
Renfrew	924	551	132	494	320	396
Strathkelvin	441	605	586	450	372	302
Glasgow City	530	347	817	897	1,079	1,201
Total outside Glasgow	2,410	2,425	2,247	2,125	1,758	1,667
Total including Glasgow	2,940	2,772	3,064	3,022	2,837	2,868

Source: Compiled from Scottish Housing Statistics, various dates

have gone some of the way towards eliminating these constraints.

In the first place, newbuild LCHO schemes provide production subsidies to private housebuilders in the form of minimal land prices, land assembly and site preparation costs. The sale of council land to private developers in Glasgow involves land acquisition, demolition, site preparation and marketing, and constitutes council policy:

"The generally smaller and more difficult inner city sites tend to be less attractive to developers than larger greenfield sites. ... In disposing of inner city sites belonging to the District Council, this fact will be fully recognised and the Council will do all it can to counter such disadvantages by releasing land at favourable prices and/or undertaking environmental etc. improvement. The Council intends that the land supply within Glasgow should not act as a constraint to development within the city" (GDC, 'Housing Plan 7', para 7.16).

The costs of the land marketing process vary. For instance, land acquisition of inner sites will normally have occurred as part of post war clearance policy (Comprehensive Development Areas). The many tenement flats previously on a site will have been individually acquired through Compulsory Purchase Orders. Demolition costs vary and can attract government grants (GDC Housing Department, 1983a). Council land is often sold at 'favourable prices'. For example, a site at Maryhill Road/Raeberry Street in the Maryhill Corridor renewal area was sold by the council for £20,000 per acre in 1983. In addition, a site in the Glasgow Eastern Area



Renewal project area at Bridgeton raised £10,500 per acre (Glasgow Herald, 28 March 1983). In 1983, an example of the price paid by a private housebuilder for a site outside the city was £40,500 per acre, and the going rate for sites outside Glasgow at this time was about £40,000 per acre (interview with private housebuilder involved in development both outside and within Glasgow).

A second way in which LCHO policies have reduced constraints is through minimising risks to developers in particular schemes. Building under licence, for example, means that the local authority with which a private housebuilder enters into partnership eliminates the production risks through retaining ownership of the land and controlling detailed development as well as generating sales either through nominating purchasers or buying back any unsold houses.

National and local planning policies in relation to the availability of land for private housebuilding have aided new private housing development. In England and Wales, the 1980 Local Government, Planning and Land Act required registers of publicly owned land to be drawn up, enabling private developers to identify and to initiate development on council sites, as well as local authorities themselves marketing their own land. In addition, land availability studies, from 1980 (DOE Circular 9/80, now superseded by Circular 15/84) are to be undertaken by local authorities in consultation with the House Builders' Federation. Such studies, following a pilot survey in Manchester, were to identify a five year supply of land for housebuilding, taking into account market factors. Thus the principle of 'market banding' (Hooper, 1980), that is,

the identification of land for particular sectors of the owner occupied housing market, was introduced. This had the effect of inflating previous estimates which took account only of total demand, making more land available to the private sector.

Strategic planning policies through structure plan housing allocations have limited areas of greenfield development and have encouraged housebuilding on redevelopment sites, particularly in inner areas. In the case of Glasgow, Strathclyde Regional Structure Plan (SRC, 1979, 1981) has restricted greenfield development in the hope of encouraging private housebuilding in Glasgow. This policy may have contributed to the changing pattern of housebuilding in Glasgow and the surrounding districts since the late 1970's (as shown in Table 7.2 above). The House Builders' Federation is now aiming its campaign on the availability of land for private housebuilding at structure plan allocations of housing land now that local land availability studies use the Federation's methodology in estimating the demand for land.

National and local policies are not the sole contributors to the 'success' of newbuild LCHO initiatives. The involvement of the House Builders' Federation in the land availability debate, in addition to its enthusiasm for LCHO, in its promotion of 'A First Home' (DOE, 1981) and membership participation in the schemes, points to a 'structural identity of interests' (using Hooper's term, 1980) between the present government and the House Builders' Federation.

Conditions in the private housing market and housing production were favourable for private housebuilders' involvement in LCHO schemes in the early 1980's. Ball (1983) argues that house prices follow a pattern of booms and slumps, although there is an overall long term rise. During a period of house price inflation, builders tend to move up market, whereas in a slump they move down market to cater for the more steady demand from first time buyers. Ball notes that, although house price inflation in the long term follows rising incomes, the latter is a necessary condition for price rises rather than a cause. Rather, he links house prices to building costs. Thus, according to Ball, the rise in construction costs explains the slump in new owner occupied housing in the past fifteen years:

"Cost increases lower the profitability of housebuilding so builders cut back on their output; over time that increases the shortage of housing which forces up prices; and from the demand side the instability of demand creates production problems for housebuilding which gradually pushes up building costs. There is no single cause for these factors; the problem is a structural one inherent in the present form of owner occupied provision" (Ball, 1983, 100).

In the early 1980's there was a slump in house prices which was associated with a move down market by housebuilders to starter homes, including the type of housing in certain LCHO schemes. The boom in house prices (new and second hand) of 1978 to 1980 was followed by a fall in prices in 1981 and 1982 ('The Guardian', 22 Feb 1986). This was at the same time as the introduction of

the package of LCHO measures. However, the price trends must be modified by the change in housing mix. A move down market by housebuilders necessarily means a decrease in average house prices.

Ball's work on house prices indicates that land costs, which are the prime subsidy to private developers in the sale of land by local authorities and building under licence schemes, are not the major component of house prices and thus of house price change. Therefore, LCHO schemes which subsidise land costs do not mean the provision of low cost housing. Other costs involved in the production of housing, such as building materials and methods, are outside local authority control. The private housebuilder will also be concerned with profitability, and new house prices will be as high as the market will take, if they do not form part of an agreement with the local authority.

Grosskurth (1982), in a critical review of research on building under licence in Liverpool and an evaluation of council policy, argues that subsidies to private developers via land costs are insufficient to provide low cost housing. Other additional aspects of the production and exchange process would require regulation. Grosskurth suggests three in particular. First, local authorities would have to incur part of the financial risk of development. Second, building society lending criteria would need to be widened and, last, control over production costs and methods may enable lower prices. It is the latter control which is missing from LCHO measures.

Marketing incentives are often associated with starter homes, and Ball (1983) suggests that in a slump period, such as the early 1980's, housebuilders will use marketing methods, such as low mortgage interest for the first year of purchase, or the provision of furniture and fittings, rather than reduce house prices, in order to attract buyers. The problem of the resale price of starter homes is discussed above. Booth and Crook (1986) make the point that if purchasers cannot recoup the original price then the scheme may fail to provide a foothold on home ownership.

The above discussion indicates the dependence of newbuild LCHO schemes on the interests of private housebuilders. LCHO policy as a whole depends on mortgage lending, primarily by building societies, but also by banks. Building societies in particular have become involved in LCHO and similar schemes. There are three factors which have stimulated this involvement. First, the increase in owner occupation at a national level is now tailing off. For example, Kleinman and Whitehead (1985) find it unlikely that owner occupation will increase beyond 70 per cent by the mid 1990's and that this would only be achieved through such measures as the Right to Buy, subsidising council house buyers, and LCHO schemes. Second, the involvement of banks in mortgage lending has contributed to the surplus money available and the diversification of building society activities. Third, the traditional building society cartel has now broken down. Building societies now admit to being commercially minded; they are in competition with each other and are profit oriented institutions. 'Surplus' is no longer used as a euphemism for profit (comments made by the Chairman of the Abbey

National Building Society, 'File on Four', BBC Radio 4, 25 Feb 1986). Provisions in the Building Societies Act, 1986, extend the commercial activities of societies into the fields of housing development, housing management, banking and estate agency.

Building societies have therefore been seeking new markets and activities; they have also increased down market lending. The latter is not only associated with LCHO schemes, but also with lending on pre 1919 housing, especially in inner urban areas. In inner Glasgow, building society lending on older tenement flats has increased since the mid 1970's (MacLennan and Munro, 1986). Mortgage lending is being pushed to its furthest limits as societies relax their lending criteria. However, this is having an effect in the increased level of mortgage arrears (see the above discussion) with more marginal owners and the destabilising possibility of more and more people moving in and out of home ownership.

Building societies often have special arrangements with housebuilders in any newbuild scheme to make mortgages available to purchasers. In addition to looking for new markets within owner occupation, for instance, LCHO schemes and inner city lending, as well as expanding activity in particular areas, such as Scotland where the rate of owner occupation is relatively low, building societies are seeking to diversify their role within housing, and will be further aided by the provisions of the 1986 Building Societies Act. The larger building societies, such as Nationwide and Abbey National, have set up Housing Trusts which work with developers and housing associations to provide starter homes or housing for

special needs such as sheltered accommodation for the elderly. The societies also work with local authorities in financing improvement and repair work in, for example, Housing Action Areas in inner cities. The Halifax has recently announced (January 1986) its intended activity as a developer in inner areas, acquiring and assembling land in order to provide housing for sale and for rent. This apparently more social role for building societies is also in their commercial interests.

The discussion in this chapter has centred on, first, aspects of LCHO housing consumption, and, second, on issues surrounding production. We have speculated on the problems which LCHO buyers may experience. Although there is little direct evidence of mortgage arrears or problems with housing standards in these relatively recent schemes, these issues are important for the future. Private sector institutions are deeply involved in the implementation of LCHO policy and their interests in taking part in the various schemes have been identified. Some of the issues raised will be brought into the discussion of policy in the next section. Chapter eight examines the importance of tenure and the extension of home ownership. Chapter nine concentrates on urban policy and LCHO, whereas chapter ten takes the concepts of 'choice' and 'need' as used in housing policy.

CHAPTER EIGHT    THE IMPORTANCE OF TENURE AND THE EXTENSION OF HOME  
OWNERSHIP

1. Introduction

Arguments within housing studies, as discussed in chapter four, have dismissed many of the effects associated with home ownership and its extension. Nevertheless home ownership exists in reality and is becoming more important in terms of the high proportion of households entering owner occupation, and housing policy which seeks to extend the tenure, through, for example, LCHO schemes. The support for home ownership is a political issue. Mortgage interest tax relief is likely to continue, and all major political parties now support council house sales. However, the academic debate over the significance of tenure continues.

I focus on academic debate on the ideology of home ownership, which has tended to take an economistic approach. In particular, I discuss three issues which have been developed by structuralist marxists and which are associated with extending home ownership. These are capital gains, commodification and a 'stake in the system'. Although each has been criticised recently from neoweberian and neomarxist perspectives, the extension of home ownership remains of importance in academic debate. For instance, Saunders (1982b, 1984a) stresses home ownership as a means of 'ontological security' and Saunders and Williams (1984) suggest that the meaning of the home deserves attention, whereas Forrest and Murie (1986) see policy which extends home ownership as increasing differentiation within the tenure. Following this, I discuss the extension of



home ownership through LCHO policy in the particular context of Glasgow.

## 2. The tenure debate

Saunders and Williams (1984) point to the current economic focus of urban studies and housing studies:

"The formulation is dominated by a sense of housing as an economic relation and indeed even the communication of politics under this approach is almost reduced to a sense of a formal cost benefit assessment of specific tenures" (Saunders and Williams, 1984, 16).

They note three aspects of the debate on the ideology of home ownership, which also reflect this economic perspective: capital gains, commodification, and a stake in the system. Each is examined below in order to illustrate the economic character of the debate over the significance of home ownership.

Kemeny (1980) suggests that one reason that home owners gain is that housing capital is revalued at current prices every time a house is sold. The existence of capital gains is an argument for the significance of home ownership as an investment. While Ball (1976) argues for the existence of capital gains, since owner occupation is a source of wealth:

"whether this wealth is ever realised is immaterial; it still exists even if it is used only as an inheritance for future generations" (Ball, 1976, 25),

others have argued over the source of the gain. For example, Clark and Ginsburg (1975) believe that the gain is made by the

seller at the expense of whoever buys the house and is contained within the owner occupied sector as a whole. Murie and Forrest (1980) have also noted that home ownership is an investment. However, Saunders (1979) argues that gains from other buyers can only be made when house price inflation is higher than the general inflation rate. Nevertheless wealth can be accumulated even when there is no difference in the two rates, through the owner occupier's repayments which are a form of enforced saving. Saunders argues that in reality the level of house price inflation has been higher than the overall rate of inflation; interest rates have not always reflected the rate of inflation; mortgage interest tax relief has kept down the rate of interest (though not house prices); and home improvements increase the real value of the house for individual owner occupiers.

Yet Thorns (1981) makes the point that the above contributors to the debate have been concerned with capital gains on an aggregate basis. He proceeds to demonstrate that not all owner occupiers gain in the same way; there are sub markets within owner occupation. As noted in previous chapters, for example, older housing in inner city areas is more likely to be in poor condition and owned by those on lower incomes who are less able to maintain them. House prices at the lowest end of the market have often not kept pace with inflation or with other sectors of the market (see also Karn, Kemeny and Williams, 1986). Thorns uses evidence from Christchurch, New Zealand, to support his argument on differential rates of capital gains over time in different sub markets within a city. Those who gain the most are those buying a house in a higher price

sub market and who have a relatively high income.

Although it is generally agreed that home owners have made gains, for instance during the 1970's when inflation was high, argument remains over whether this was due only to a historical phenomenon. For example, Williams (1982b) suggests that real gains are not being made in the 1980's with high interest rates and low inflation. Yet despite his recognition that large gains through high rates of house price inflation are relatively recent, Saunders (1982b, 1984a) suggests that this does not imply that such gains are not permanent. It is only recently that home ownership has become the major tenure in Britain, therefore a new situation is occurring and reference to the past is merely of historical interest (Saunders, 1982b, 4). Further, Saunders argues that the stagnant housing market of the 1980's is merely experiencing a trough and may well recover to bring greater gains:

"Even allowing for currently high interest rates, it still remains the case that when tax relief is taken into account, home buyers are being paid to borrow" (Saunders, 1982b, 4).

Mortgage interest tax relief increases effective demand and thus pushes up house prices. Tax relief is unlikely to be removed; at most it may be extended to all households. Therefore, Saunders argues that house prices will still increase and owner occupiers will receive capital gains for many years to come. However, Saunders also takes an aggregate position. The housing market is differentiated and house prices do not necessarily rise. Gray (1982) and Forrest (1983) argue that economic advantage in housing is

more a reflection of other economic advantages, especially in the labour market.

Other commentators have stressed the importance of housing as a commodity, and thus the commodification of housing through the increasing domination of home ownership. For example, in the 1970's several authors identified a 'fiscal crisis' (O'Connor, 1973) through the contradiction of increased social welfare provision against the availability of government resources. This prompted a reprivatisation process, for instance, in the field of housing.

Harloe (1981) argues that this recommodification of housing is functional for certain sectors of the capitalist economy in current circumstances. Not only is the growth in home ownership supported by property capital (developers), finance capital, and exchange professionals, but, Harloe argues, it is part of the changing pattern of consumption, providing a market for other goods and services. Thus the process of suburbanisation, for example, gave rise to new markets. These two points have been made in earlier work by Harvey (1977), who stresses the role of finance capital, by Castells (1977) who suggests that suburbanisation through owner occupation maximises capitalist consumption, and by Walker (1978) who is also concerned with the process of suburbanisation. Harvey (1978b) later argues that suburbanisation is linked to housing as an investment, that home ownership is a stabilising influence and reproduces social relations. The latter position is criticised in chapter four and below.

Harloe places the process of recommodification of housing within the context of the 'recapitalisation of capital' (Miller, 1978), that is, cuts in the welfare state and increased privatisation in response to economic crises. Harloe notes that the recommodification of housing, aided by government subsidies has been argued to harm other sectors of the economy by diverting investment from industry into private housing and finance. Therefore, the process cannot continue indefinitely. He further suggests that political reasons will not allow collective consumption to be reduced too far.

However, Saunders (1982b, 1984a) argues that a much more significant reason for the reprivatisation of housing is the increase in real incomes for many of the working class, and that the process is likely to continue. For as more people buy their houses, the greater will be the call from those remaining in council housing to get away from an increasingly marginalised sector. Saunders thus argues for sectoral cleavages on the basis of ownership of the means of consumption. Further, he sees private housing as a means of fulfilling psychological needs for 'ontological security'.

It is argued by the present government in support of the policy to extend home ownership that it contributes to a 'property owning democracy' and thus gives individual owners a stake in the system. From the opposite perspective, some neomarxist commentators have denigrated owner occupation for ideological incorporation through property ownership. That is, these two extreme arguments identify home ownership with particular social effects and with supporting

capitalist social relations (Forrest, 1983).

The process of working class incorporation was first investigated in sociology in the 'Affluent Worker' research of the 1960's under the term 'embourgeoisement', that is, changing working class attitudes through a middle class way of life. However, little empirical evidence was found of changing attitudes among affluent workers of Luton who owned their own homes. The debate has continued through neomaxist analyses of the effects of home ownership. Thus Bassett and Short (1980) are able to cite a number of neomaxist analyses within the field of urban studies which have pointed to the advantages of the extension of home ownership for capitalism, among them those of Harvey (1975), Castells (1977), and members of the Political Economy of Housing Workshop (Conference of Socialist Economists, 1975 and 1976). They do not argue that home ownership has a fundamental effect on the structure of capitalist society; class relations remain intact. Rather, their argument according to Saunders (1979) is that the stake in the system is a form of false consciousness whereby tenure divisions are symbolic and differentiate status rather than material interests. Therefore:

"Housing classes are not economic classes and ... domestic property is politically significant by virtue of its contribution to a false consciousness. This is a consciousness that fails to recognise that those who are ensnared by the precariousness of their domestic security are really in a remarkably similar situation" (Fletcher, 1976, quoted by Saunders, 1979, 81).

This means that home ownership is important politically and ideo-

logically, although it is denied any economic effect. Yet the argument remains economistic in that it is based on the functionality of the tenure for capitalism.

Therefore any housing policy to extend home ownership, such as LCHO, is based on the functional role of the state. The above neomaxist analysis is instrumentalist in its view of the state as deliberately supporting owner occupation in order to fragment the working class (for example, Castells, 1977; Cockburn, 1977; Clark and Ginsburg, 1975). Such an argument allows for no independent action by the state, for instance, to improve housing conditions. Neither does it allow home owners any independent thought or action. Home owners are assumed to be an undifferentiated group which can be manipulated by the state. This position is refuted in chapter four.

All three aspects of the tenure debate discussed above are strands in the same argument, that owner occupation is favourable for capitalist social relations. Forrest (1983) and Williams (1982b) both argue against the claims of capital gains and a stake in the system. The argument in favour of capital gains is that financial gain is an advantage of owning against renting, and statistics show the increasing proportion of wealth held in the form of housing. Yet Forrest argues that home ownership does not represent a stake in the system because the redistribution of wealth gives no increase in social and economic power. Economic power remains in the hands of the few who own land and capital assets. Thus:

"The property owning democracy implies only a greater dis-

tribution of commodities and hence the enhancement of consumption power. ... Indeed, even the supposed benefits of homeownership in the sphere of consumption are liable to be highly unevenly distributed and to enhance rather than undermine the existing class or status structure" (Forrest, 1983, 209).

Further, Saunders (1982b) argues that the concentration on one aspect of property, that is economic power, neglects another aspect, that is the exclusive right of control, benefit and disposal.

Consumerism may be important in supporting capitalism, yet buying a home is not necessarily the most important factor in this trend. Forrest concedes that gains can be made through owning a house as opposed to many other commodities. Yet he argues, in line with others, that real wealth accumulation does not occur since one group of consumers gains at the expense of others. Such accumulation occurs through three specific historical circumstances recognised by Saunders (1979) and noted above. First, house price inflation has been higher than the general rate of inflation. Second, the real rate of interest paid on mortgages has been low, and, third, government subsidies are available to home owners through mortgage interest tax relief. Saunders argues that owners have a dual relationship with housing which has both use and exchange value, when renters only have use value. However, Forrest (1983) and Gray (1982) attack Saunders' division of interests between renters and buyers of housing through indicating that not all owners benefit from home ownership. They stress heterogeneity within this tenure sector. As many commentators within housing



studies now realise:

"House ownership may be a game we can all play, but the chances of winning are skewed heavily in certain directions. We might contrast the middle class professional couple setting out in the early years of their house purchase career with the late- middle- aged steelworker buying his council house with his redundancy payment. For some, the stake in the system is indeed very limited" (Forrest, 1983, 214).

Gray (1982) goes further in arguing that as more and more lower income groups are drawn into owner occupation (through such policies as LCHO, for instance), the sector will be seen to be regressive as those on low income do not receive the same benefit for owning as do higher income households. Poor housing conditions in older owner occupied areas and increasing problems with mortgage repayments mean that owner occupied housing could become important as a political problem.

The above outline of the tenure debate, together with issues raised in the latter part of chapter four reinforce the criticism made by Saunders and Williams (1984) of the economistic perception within this debate. This criticism can also be made of recent work by Forrest and Murie (1986) who relate housing tenure to economic position through stressing the link between local housing and labour markets. Moreover, they take the basis of analysis as the labour market and the process of economic restructuring (see chapter five).

While Forrest and Murie proceed to link housing with labour market restructuring, others see a lack of consideration of the individual and the meaning of the home. Perhaps an examination of the latter will help in explaining the current situation which perplexes many:

"when workers vote in their millions for resolutely anti-socialist political programmes, when people whose grand parents went on hunger marches today settle happily in front of their own video sets in their own homes and eat meals retrieved from their own freezers, and when the traditional sallying cries of the left resound around empty streets and resonate against locked front doors, it is time to re-think" (Saunders and Williams, 1984, 26).

Saunders and Williams begin by considering the home as a private sphere. They suggest, for example, that action by the miners in the 1984/5 strike could be construed as safeguarding their owned homes as well as jobs. In a different way, earlier work by Rose (1980, 1981) sees home ownership as a 'separate sphere' away from the workplace, for many. She criticises work in housing studies for defining owner occupation as a static, ahistorical category which does not consider its changing meaning for individuals. Thus the meaning of the home is an additional focus for an examination of policy which seeks to extend home ownership.

### 3. The extension of home ownership

So far, this chapter and the latter part of chapter four have discussed the arguments which have accompanied policy to extend home ownership and the actual expansion of the tenure. Here,

I examine one particular policy, LCHO, which has sought to extend home ownership, focussing on the case of Glasgow.

The extension of home ownership in Glasgow through LCHO schemes can be gauged in several ways. First, the schemes will have increased the amount of owner occupied stock available to buyers, through newbuild completions, or through transfers of stock to home ownership. Second, home ownership may be extended through making available particular types and sizes of housing previously in short supply. Third, LCHO schemes may give access to home ownership to specific groups of people who would otherwise have found it difficult to buy.

Table 6.8 outlines the LCHO sites and schemes completed by 1983, at the time of the author's survey of LCHO in Glasgow. It is clear that newbuild starter homes by private housebuilders on land sold by Glasgow District Council have made the greatest contribution to the total. The impact of LCHO on the owner occupied stock in Glasgow is unclear from the changes in stock over the period 1977 to 1984 (see Table 6.5). For example, a decline of 591 dwellings from 1981 to 1982 was followed by an increase of 2,856 from 1982 to 1983. However, LCHO completions of 2,110 from 1977 to 1983 are significant in terms of the total new housing completed in the city in this period, that is 6,470. It appears that LCHO has had the effect of bolstering the total owner occupied stock against other factors. For instance, demolitions accounted for a reduction of 1,820 dwellings in the period 1980 to 1983 (GDC Housing Department, 'Annual Housing Review 1984'). Further,

housing association improvements have affected the extension of home ownership in Glasgow. The process of improvement through Housing Action Areas under the 1974 Housing (Scotland) Act affects overall housing stock by amalgamating some flats to ensure that basic facilities are provided. The council estimates that 2,000 owner occupied dwellings have been lost through amalgamation since 1974 (GDC Housing Department, 'Annual Housing Review 1984'). Housing association improvements also have the effect of changing the tenure structure of small areas of the city through the acquisition of previously owner occupied housing, improving it, and then renting it out to association tenants. MacLennan (1983) and MacLennan, Brailey and Lawrie (1983) suggest that the level of owner occupation through housing association acquisitions in an area may be reduced from about 45 per cent to on 8 per cent.

A positive impact on owner occupied stock has been made by council house sales, which in the period to 1983, since the 1980 Tenants Rights etc (Scotland) Act gave the 'Right to Buy', have totalled 2,248 Glasgow (GDC Housing Department, 'Annual Housing Review 1983'). This is a high figure for the provision of low cost homes for sale to tenants, as against the total of 2,110 houses in LCHO schemes for a longer time period.

Nevertheless, LCHO schemes do have an impact on owner occupied housing provision in particular parts of Glasgow. I have already noted, in chapter six, that the schemes have been aimed at two types of area, the inner city, consisting of older tenement flats in various tenures, and peripheral estates, which were built for

council tenants in the post war period. The sale of land by Glasgow District Council has meant that the majority of private sector completions are now on redevelopment (brownfield) sites, with a figure of 54.9 per cent in 1983 and an estimate of 78 per cent for 1984 (Sim, 1985). The rising number of private housing completions in Glasgow, together with the increasing proportion of these on redevelopment sites indicate that new private housing, a significant part of which is on council marketed land (53 per cent in 1984, Sim [1985]), is extending home ownership in the older urban areas in Glasgow. As Tables 6.6 and 6.8 indicate, 1,639 of the total of 2,380 houses built by private developers on council marketed land were in low cost starter schemes. In chapter seven and Table 7.2 it was shown that the increase in new housing completions in Glasgow has matched the decline in completions in the surrounding districts, in line with structure plan policy. Thus it can be argued that the success in terms of an increase in private housebuilding has in reality consisted of a redistribution of building within the greater Glasgow area. That is, LCHO policy and other council schemes to encourage private housebuilding in Glasgow have not meant an overall increase in private housing provision, although they have extended the amount of owner occupied housing in particular areas.

LCHO is spatial in character, through encouraging owner occupation in inner city areas, peripheral estates, and within council boundaries. The policy thus discounts areas of Glasgow with a preponderance of owner occupied housing, either within or outside the administrative boundary of the city, but within the local labour

market. Areas such as Thornliebank, outside the city, and Deaconsbank, within Glasgow boundaries, both consist of lower priced new owner occupied housing and are on the outskirts of Pollok, one of the post war peripheral council estates.

In addition, inner areas of Glasgow possess a range of tenures, as discussed in chapter nine, including a proportion of older tenement flats which are owner occupied as well as privately rented and public sector housing. Thus LCHO is not extending home ownership to these areas; housing in this tenure already exists. However, the policy may be extending home ownership through providing housing of a different quality, type or size to that pre existing. It is evident from Table 8.1 that LCHO in Glasgow is providing owner occupied housing which is smaller than the existing stock in this tenure. Whereas in the whole of Glasgow 45.3 per cent of owner occupied stock consists of three apartments or less, the figure for the LCHO survey is 87.9 per cent. This increase in the supply of smaller housing is consistent with short term population and household trends in the city, discussed in chapters nine and ten. For instance, household size is falling and it is estimated that single person households will increase to form 29 per cent of all households in Glasgow by 1989 (GDC Housing Department, 'Housing Plan 7', para 4.7). Table 8.2 indicates that the LCHO schemes covered by the survey have made a contribution in catering for single and two person households. Less than a quarter consisted of families with children. Thus the provision of smaller dwellings is a contribution made by LCHO in extending home ownership in the light of falling household size and the lack of smaller dwellings

TABLE 8.1

House Size in Glasgow, 1983

Apartments	Total Glasgow stock		Low Cost Home Ownership Survey	
	Number	%	Number	%
1	8,195	2.8	5	1.5
2	48,070	16.2	124	36.7
3	134,795	45.2	168	49.7
4	75,876	25.5	36	10.7
5	17,917	6.0	5	1.5
over 5	12,315	4.1	-	-
Total	297,168	100	338	100

Sources: GDC Annual Housing Review 1984

Low Cost Home Ownership Survey, 1983

TABLE 8.2

Household Composition of Low Cost Home Owners in Glasgow  
Survey, 1983

Household composition	Home- steading		Improve- ment for sale		Build for sale		New build		Total	
	No	%	No	%	No	%	No	%	No	%
Single persons										
16-29	1	(2.6)	2	(10.5)	4	(10.5)	20	(8.5)	27	(8.0)
30-59	2	(5.1)	1	(5.3)	4	(10.5)	38	(15.7)	45	(13.3)
60+	-		1	(5.3)	1	(2.6)	7	(2.9)	9	(2.7)
Two persons										
16-29	9	(23.1)	12	(63.2)	6	(15.8)	72	(29.7)	99	(29.3)
30-59	4	(10.3)	1	(5.3)	4	(10.4)	36	(14.9)	45	(13.3)
60+	1	(2.6)	-		2	(5.3)	3	(1.2)	6	(1.8)
Single parent families	-		-		-		6	(2.5)	6	(1.8)
Other families with children										
under 15 years	18	(46.2)	1	(5.3)	15	(39.5)	43	(17.8)	77	(22.8)
3 or more adults	4	(10.3)	1	(5.3)	1	(2.6)	14	(5.8)	20	(5.9)
Not known	-		-		1	(2.6)	3	(1.2)	4	(1.5)
Totals	39	(100)	19	(100)	38	(100)	242	(100)	338	(100)



in Glasgow's existing stock.

LCHO is not significantly extending the type of housing available in the owner occupied stock. Although some LCHO schemes do provide houses with gardens, the majority are flats (73.1 per cent of the sample) as is most housing in Glasgow. In the city as a whole, 53.9 per cent of the total housing stock, and 50.5 per cent of owner occupied housing in 1984 consisted of tenement flats (GDC Housing Department, 'Annual Housing Review 1984', Table 2.3). However, LCHO provides new and improved housing for sale. The schemes extend home ownership through making new and better quality housing available, in contrast to older unimproved tenements in inner areas or the post war council tenements in the peripheral estates. This is partly shown in the differences in prices between LCHO housing and inner city tenement flats. Access and prices of LCHO schemes in Glasgow are discussed in chapter ten as part of an examination of widening tenure choice in the city.

Homesteading and improvement for sale schemes provided the lowest priced housing. The range of prices, with, for example, some newbuild houses with gardens up to £30,000 as against the low price of homesteading flats indicates that different LCHO schemes are likely to be accessible to different groups of people and will thus have a differential impact on the extension of home ownership in Glasgow. Homesteading and improvement for sale were the cheapest schemes, yet their total provision of housing was limited to 301 dwellings up to 1983 (Table 6.8). In the scheme which provided the majority of 'low cost' housing, that is the

sale of land to private housebuilders, 63 per cent of housing on sites in the survey was priced between £20,000 and £25,000. Whereas 20 per cent of newbuild purchasers were in professional/managerial occupations and only 12 per cent in semi skilled or unskilled manual work, 33 per cent of homesteaders were in the latter category and none in the former.

Buyers in LCHO schemes had a relatively high average income of £9,000 per annum for the largest income per household. The range of incomes in the survey is shown in Table 8.3. The Scottish average at the time was £8,678.28 per annum (Central Statistical Office, 'Family Expenditure Survey 1982'). With the relatively high house prices and incomes associated with LCHO, three factors militate against the extension of home ownership. First, a major market for the LCHO schemes resides amongst Glasgow's council tenants. However, in July 1983, 31 per cent of the latter were dependent on Housing Benefit and a further 33 per cent received a partial subsidy (GDC Housing Department, 'Housing Plan 7', para 2.7). Moreover, 39.4 per cent of council tenants were in arrears and were unable to afford council rents. Second, while surveyed households had an unemployment rate of 3.3 per cent, the Glasgow rate by 1983 exceeded 20 per cent. In Lochend, where the homesteading scheme is located, the area unemployment rate was 40.8 per cent (calculated using Small Area Statistics, 1981 Census of Population). Finally, 22.7 per cent of Glasgow's population in 1983 were in receipt of supplementary benefit (Strathclyde Regional Council, 1983). These figures indicate that both a high proportion of council tenants and/or Glasgow's resident population tend to have

TABLE 8.3

Household Income (gross) of Low Cost Home Owners in Glasgow Survey, 1983

Income p.a.	Home- steading		Improve- ment for sale		Build for sale		New build		Total	
	No	%	No	%	No	%	No	%	No	%
under £5,000	5	(12.8)	3	(15.8)	4	(10.5)	14	(5.8)	26	(7.7)
£5,001-7,500	20	(51.3)	5	(26.3)	4	(10.5)	32	(13.3)	61	(18.0)
£7,501-10,000	6	(15.4)	6	(31.6)	8	(21.0)	67	(27.8)	87	(25.7)
£10,001-12,500	4	(10.3)	2	(10.5)	9	(23.7)	65	(26.8)	80	(23.7)
over £12,500	4	(10.3)	3	(15.8)	10	(26.3)	49	(20.2)	66	(19.5)
Not known	-		-		3	(7.9)	15	(6.2)	18	(5.3)
Total	39	(100)	19	(100)	38	(100)	242	(100)	338	(100)

insufficient or insecure levels of income to be able to afford entry to LCHO. For many, therefore, LCHO is a misnomer with the relatively high cost of housing, the relative affluence of those entering the schemes and the disproportionate number of Glasgow's population on low incomes.

Moreover, households in LCHO schemes were characterised by the availability of two incomes; 71.6 per cent of households of more than one person received two or more incomes. The stability of income is illustrated not only by the low rate of unemployment, but also the occupational structure, with 77.2 per cent in non manual or skilled manual occupations. These occupational groups tend to be in primary labour markets which exhibit stable employment patterns (Massey, 1983). While 72 per cent of respondents were entering owner occupation for the first time, many indicated that they had intended to enter home ownership at a later date. With their high income profiles and potential earnings (90 per cent of people in LCHO households were under 45 and unlikely to have reached a period of peak earnings), entrants to LCHO were those most likely and able to enter home ownership at a later stage in their lives.

A major reason for easy access to newbuild housing was the availability of 100 per cent mortgages, offered through most house-builders. This, together with other incentives, ranging from the payment of legal fees to the provision of kitchen equipment and other fittings, makes access for first time buyers particularly easy. For most buyers, a survey by the Scottish Office (McQueen,

1983) indicates that a deposit of £3,500 was typical at the time, with entry costs approximately £500 or 3 per cent of the purchase price.

Although 35.9 per cent of continuing households and 63.6 per cent of new household respondents in the survey had previously been living in council or Scottish Special Housing Association (similar to council housing in Scotland), the above discussion suggests that these were the more prosperous tenants. Homesteading and improvement for sale schemes provided the lowest cost housing and stipulated priority access to council or housing association tenants and waiting list applicants, whereas newly built private housing on council marketed land was sold on the open market, as discussed in chapter six. However, in the case of homesteading, priority to council waiting list applicants was insignificant since everyone is eligible to apply for council housing in Glasgow. As noted in chapter six, in the improvement for sale scheme included in the survey, only six out of the 22 flats were sold to priority applicants; those remaining were placed on the open market (Queens Cross Housing Association, 1982).

The discussion so far indicates that, in effect, far from extending home ownership to those with little or no income potential to afford to buy a home, LCHO was extending owner occupation to those who constituted the future demand for private houses for sale. Nevertheless, home ownership in Glasgow is extended through LCHO schemes. In particular, it is extended to single persons and small households who would have rented in the short term. LCHO

is therefore extending housing choice by increasing the type of housing on the market in Glasgow. Similarly, the low prices of home-owning and improvement for sale offers the potential to extend home ownership to lower income groups. However, the survey identified two limits to home ownership in these schemes. First, despite the relatively low costs involved, stable incomes are required for initial entry and subsequent mortgage repayments. This discounts a large sector of Glasgow's population who are either unemployed, in receipt of supplementary benefit, or in part time or poorly paid employment. Second, both schemes are a small proportion of the total housing in LCHO initiatives in Glasgow. In contrast, newbuild schemes have been more extensive, but their relatively high prices restricts access.

In more general terms, Booth and Crook (1986) note that in the long term the initiatives rely either on a reduction of the entry price to owner occupation, or on reducing the standards of housing, through the use of cheap construction materials and methods (see chapter seven). While reducing initial entry costs draws in lower income groups, LCHO schemes will be absorbed into the general housing market on resale and will be unavailable for future potential low income buyers. Thus LCHO provides a 'one off' subsidy for lower income households, unless the new supply of housing through LCHO schemes is widespread enough to have the effect of reducing market prices for this type of housing. Kleinman and Whitehead (1985) suggest that the level of owner occupation is only likely to be increased through 'one off' subsidies, such as LCHO and council house sales. They question the cost effectiveness of

such subsidies in furthering government policy to extend home ownership.

Further, as discussed in chapter five, the definition of target groups is not sufficiently specified to differentiate between different groups of low income earners. The needs of different households are lumped together as 'first time buyers' (Booth and Crook, 1986). This is problematic because it fails to consider the housing needs of lower income groups and the appropriate types of policies to encourage and retain different groups in home ownership.

The effects of extending home ownership through LCHO schemes can be seen in several ways. First, as noted above, LCHO schemes often occur at the expense of housing standards. A new or improved house may be preferable to an older cheaper dwelling which requires repairs and maintenance. Yet in the long term low standards of construction materials or improvement will increase the problems of housing condition in the owner occupied sector. The extension of home ownership does not necessarily mean the provision of good quality housing or the ability of low income households to maintain such housing. In addition, the Institution of Environmental Health Officers ('The Guardian', 1 July 1986) found that space standards are declining in new starter homes by private housebuilders. The House Builders' Federation has blamed this on land prices, which it sees as determined by planning authorities:

"If the price was brought down by a more reasonable allocation of housing land by planning authorities then we would see

builders being able to pass on more generous space standards"

(quoted in 'The Guardian', 1 July 1986).

This generalisation by the House Builders' Federation does not take account of LCHO initiatives, such as the sale of land by local authorities to developers at minimal prices.

A second set of effects of extending home ownership are upon low income groups themselves. I have discussed above how LCHO schemes may give premature access to owner occupation. By concentrating on initial access, the policy fails to consider the means by which new home owners tackle the long term costs, including mortgage repayments at a time of high interest rates, maintenance and repairs, especially with increasing unemployment and falling real incomes for many people. Last, LCHO provision has an effect on the local housing market, by increasing the differentiation within owner occupation.

The extension of home ownership to lower income groups also has the effect of individualising welfare state provision, since owner occupation is increasingly subsidised in comparison with council housing, which has received the brunt of government expenditure cuts (Forrest and Murie, 1986).<sup>1</sup> The more this process occurs, the greater will be the differentiation within owner occupation. The following comment by Forrest and Murie was made in the context of a discussion of council house sales, but can equally be applied to LCHO policy:

"There is a basic irony that in achieving a significantly higher level of home ownership through sales and other policies



the greater will be the association of processes of deprivation and stigmatisation with the owner occupied market" (Forrest and Murie, 1986, 63).

A policy of extending home ownership through LCHO schemes raises the question of the limits to owner occupation. This can be discussed in several ways. In national terms, Whitehead (1986) suggests that owner occupation is unlikely to contain more than 70 per cent of households in Britain in the foreseeable future, considering international evidence, different preferences according to household type, together with the current distribution of income and wealth. She notes that tenure preference differs by household type and by existing tenure. Some people do not want, or cannot afford, to own. Only 45 per cent of council tenants and 33 per cent of one person households wanted to become home owners (using BSA, 1983). Whereas owner occupation is concentrated among married couples, it is other types of household which are growing in numbers and as a proportion of the population (Holmans, 1983). Therefore, policy to extend home ownership will become increasingly difficult to implement. Another point is that local levels of home ownership as well as tenure preference vary. In Scotland, for instance, only 60 per cent of households expressed a preference for owner occupation, as against 85 per cent in south east England (BSA, 1983). Glasgow has a particularly low level of owner occupation, with 24.9 per cent of households in the tenure in 1981 (Census of Population). This, together with the disinclination to own among particular groups, may contribute towards a saturation of the lower end of the housing market through LCHO schemes in certain

locations. For example, in Liverpool, builders, who are always aware of the market for their products, have become less interested in inner city sites (Grosskurth, 1982; Ledward, 1986). As home ownership is pushed to its current limits, the effort and resources put into policies to extend owner occupation further will need to be increased. This is already the case with the Right to Buy policy, in which the government has consistently raised the discounts available to council tenants to buy their homes in an effort to maintain sales.

Local social and economic processes are important in considering the extension of home ownership in a particular area. Labour market change, for instance, may affect the market for owner occupied housing. The rise in the affluent professional market in most regions has meant a buoyancy in this sector of the private housebuilding market (Dickens et al, 1985). In Glasgow, the dominance of the Labour party has enabled the council to direct new housebuilding to central Glasgow and away from greenfield sites. Unlike, for example, London, Glasgow has a large supply of vacant sites, due partly to industrial decline, the scale of the post war redevelopment programme, and differences in the property market. Private housebuilding is also encouraged in regional policy through the auspices of the Scottish Development Agency, which has funded the treatment of derelict land and is committed through government stipulation to encourage private sector development.

#### 4. Conclusions

We began section 2 of this chapter with a continuation of the tenure debate commenced in chapter four, in order to show the importance of the extension of home ownership in housing research as well as policy. Although it has been argued that the relations associated with owner occupation are spatially and temporally specific, home ownership is nevertheless an important focus especially in relation to current policy to extend the tenure. Saunders and Williams' (1984) critique of the tenure debate focussed on the importance of social relations and the meaning of the home as a private sphere. In this they follow Saunders' (1982b; 1984a) work which associated home ownership with 'ontological security', and Rose's (1980; 1981) historical analysis of the owner occupied home as a 'separate sphere' from the workplace. Saunders and Williams do not advocate ignoring economic relations, but propose a greater emphasis on social relations centred on the home.

In relation to his work with Williams, Saunders position remains ambiguous, since in recent work his focus is on individualised modes of consumption, in particular privately owned housing, and not the wider term 'home'. He accords owner occupiers with personal control and autonomy which cannot be gained through socialised modes of consumption:

"human liberation and self fulfillment can only come through an extension of personal autonomy outside of the formal work process" (Saunders, 1986, 159).

Therefore, Saunders claims that one's consumption location is paramount. However, he recognises that freedom through home owner-

ship is greater for some than for others, depending on, for instance, mortgage debt, gender and the class structure. Yet he maintains that the division between public and private modes of consumption is more than ideologically constituted, it is a division of power.

Owner occupation may be associated with a 'privatised' life style, in terms of privacy, individual control and autonomy, as defined by Saunders and Williams (1984). However, the creation of such a life style may only occur when particular social and economic factors in a locality are considered. Rose (1980; 1981), in a historical analysis of home ownership, indicates the changing meaning of the home:

"With respect to home ownership it seems imperative that our political strategies be informed by a deeper understanding of what people are trying to achieve by this way of occupying housing, as well as an appreciation of the constraints on the 'choices'" (Rose, 1980, 72).

The latter point will be taken up in chapter ten. Rose argues that capitalist society has developed a social and functional separation between the home and workplace. A historical analysis shows that housing should not be regarded entirely as an issue of consumption. Home ownership was sought by many workers in the nineteenth century as a refuge from the control exercised over them at work (although this was not the case for women, for whom the home existed, and still exists, as workplace). Nevertheless Rose concludes:

"while in a sense the formal freedoms and rights, such as those that have commonly come to be attached to the achievement

of 'a home of your own', are aspects of bourgeois ideology which conceal the real relationship of home and family life to the capitalist production - accumulation process, there is another sense in which the 'cultural space' they provide is real" (Rose, 1980, 75).

Thus a focus on the meaning of the home is justified, but in relation to the existing context. It may be different for different groups of people in different housing conditions within the same tenure.

This chapter has also focussed on the extension of home ownership in practice, through LCHO policy. It is significant for the extension of home ownership at the lower end of the market that volume housebuilders are now cutting down on the number of houses built for first time buyers. For instance, Barratt ('The Guardian', 12 July 1986) has cut the proportion of its output in this section of the market from 70 per cent to 30 per cent in three years. This indicates that new starter homes are becoming a smaller part of the new housing market as the proportion of people in home ownership rises more slowly towards its current limit. There are fewer new households being formed, together with a proportion of the population which does not want, or cannot afford, to buy, according to one of Britain's largest building societies:

"Much of the potential market for new entrants to owner occupation is made up of lower income households, which are increasingly prone to unemployment, and which are arguably not suited to owner occupation" (Chief General Manager of the Nationwide Building Society, quoted in 'The Guardian', 12 July 1986).

Therefore, we can argue that the extension of home ownership is significant in practice, not for any effects on social and economic structures, but in recategorising existing relations as the limits to owner occupation are reached (on a national scale). Chapter nine examines the effects attributed to home ownership in the context of urban policy.

CHAPTER NINE FUNCTIONALISM AND URBAN POLICY OBJECTIVES: POPULATION  
AND SOCIO ECONOMIC STABILITY

1. Introduction

In this chapter I intend to examine the aspects of LCHO which are primarily urban. In this context urban policy is concerned with urban decline and various initiatives attempt to regenerate urban areas. Following the immediate post war planning problems identified in urban areas of growth, overcrowding, urban sprawl and regional imbalance, the current focus is upon urban depopulation and economic decline (McKay and Cox, 1979). Hall (1981) specifies the 'inner city' problem in three ways. First, there is a process of demographic and industrial decline. Second, inner cities display a concentration of poverty and deprivation. Last, Hall notes the difficulty of defining the causes of the problem and the action which might be taken. Although inner city poverty and deprivation is nothing new, it is emphasised by the decline of population and employment from urban areas (Hall, 1981).

LCHO policy is applied in urban areas. It also forms an explicit part of national and local urban policies. New private housing development was encouraged in inner city areas by a government report in 1971 (National Economic Development Office, 1971) which recommended building for sale in inner areas to encourage social mix and to reduce the polarisation observed between rented housing in inner areas and home ownership in the suburbs. Further, the Green Paper on housing policy (DOE, 1977; SDD, 1977) stressed the perceived link between housing and social divisions. For

instance, the Scottish Green Paper (as quoted in chapter two) noted 'social and geographical divisions' between areas of council housing and home ownership. Housing policy, including building and rehabilitating for sale in urban areas was suggested as a method of stabilisation (SDD, 1977, para 4.12).

Owner occupied housing is used as a policy to regenerate urban areas. The case of Stockbridge Village in Liverpool is an example. Following the rioting of 1981, the government encouraged a consortium to convert council housing into private accommodation and also to provide new owner occupied housing. Similarly, the government's Urban Housing Renewal Unit (in England and Wales) has placed council house sales into a new dimension, privatising whole council estates. The latter are sold to developers with vacant possession, then converted and sold for owner occupation.

Private housing provision is also part of local urban policy. In cities such as Liverpool, the council's Build for Sale programme contributed to the wider policy of urban regeneration (Grosskurth, 1982). In particular, private housing provision in Liverpool was linked to population movement by the City Council's Inner City Housing Working Party in 1979. Two of the five goals formulated by the Working Party concerned population movement (Grosskurth, 1982). First, the programme was aimed at decreasing the out movement of the young and skilled workers who were tending to buy in the suburbs. Second, building for sale was to encourage people to move back to the inner city from all over Merseyside.



Glasgow District Council is also concerned with a continuing loss of population. Private sector housing provision is part of the council's corporate goal of stemming population out migration (GDC Housing Department, 'Housing Plan 6', Appendix 6). The above elements of national and local policy highlight the emphasis on social and economic stability through population stability and tenure mix. In Glasgow, this is explicit in the peripheral estates initiative policy, which encourages private housing provision in previously mono tenure council estates. This policy (discussed below) attempts to create a social mix by attracting people of all socio economic groups through tenure mix.

Such policies invite investigation. From a theoretical perspective, the concepts of population balance and socio economic stability are examined. The origins and assumptions of these policies are then discussed. Finally, a major part of the chapter will consist of an examination of urban policy and LCHO in Glasgow.

## 2. Policy goals and functionalism

Various social, economic and environmental problems are associated with the loss of population and employment from urban areas. These include, for instance, poverty and deprivation, a lack of services and social facilities, and a poor environment. Policies aimed at counteracting such decline include environmental and housing improvements, the provision of infrastructure, together with measures to encourage firms and people to move to particular areas, such as the provision of industrial units and new private housing. Population out migration is seen as a major process

of urban decline (Hall, 1981) and policies to counteract this trend have two foci. First, they are concerned to stop overall out migration and to encourage people back to the city. Second, they attempt to change the population structure by age and socio-economic mix. Population balance and social stability are functionalist policy aims. They integrate particular assumptions about social values with general goals which are then seen as functional for society. This section will include a discussion of the underlying social theory and assumptions behind policies of population stability and social mix, together with their functionalist implications.

Population stability implies a balance between the processes of growth and decline, between in migration and out movement. It thus makes the assumption that there is a particular level or size of population which is functional for the urban area. Urban economists have been concerned with size and its relationship with urban growth (Richardson, 1973). This brings us to the concept of 'optimal city size', which, in a particular context in time and space, indicates a balance between agglomeration advantages and congestion costs or diseconomies of scale (Richardson, 1972) and which has been used in planning policy, particularly in the planning of new towns in Britain. Another link between growth and city size is the concept of a threshold, posited by Malisz (1969), which limits growth by representing a point of high development costs for further expansion. In the context of urban policy, such concepts are implied in that a certain level of population is seen to be required to enable the efficient operation of services

and to encourage a range of employment opportunities.

Richardson's (1973) study of urban areas indicates a number of relationships between social and economic phenomena and city size. Traffic congestion and air pollution increase with urban growth but are also dependent on, for example, industrial structure and density. Incomes appear to rise as size increases, yet so do inflation and unemployment. Agglomeration economies may accrue for industry but will vary widely with economic structure. Similarly the provision and cost of public services will vary according to city size but also to wider problems of, for instance, local taxation and government expenditure. Richardson finds a correlation between social problems, such as crime and stress, with city size, although there are also social and cultural benefits. However, this does not imply a causal relationship. He concludes:

"there is no case whatsoever for utopian social engineers who prescribe physical planning solutions to social problems"

(Richardson, 1973, 102).

In addition, there are three reasons why optimum city size is a complex and controversial concept. First, there is no one optimum city size. Different cities have different functions and optimum size will also vary according to different interests. Second, size depends on function, yet, for example, the provision of many services is a function of city size, perhaps requiring a minimum threshold. Third, size is related to so many variables, that an optimum size becomes too subjective. Thus many urban economists have rejected the concept of optimum city size in favour of a minimum level of population required to provide a range of services

and to assure independent growth. Therefore population level and movement remain important.

Although Stewart (1975) criticises Richardson for not covering sociological and psychological issues often linked with city size, such as anomie and impersonal social relationships, he argues that from a neomaxist or liberal stance the effects of varying city size may be important. He does not recommend a policy on city size but a "policy oriented research programme which includes an explicit recognition of city size as an essential component" (Stewart, 1975, 97).

The concept of optimum city size has been used in a planning situation by the Greater London Council in the context of the Greater London Development Plan. At first the Council argued for an optimum city size but found little statistical or logical justification. The Council then wanted to reduce the rate of population decline. However, the Panel of Inquiry found:

"We emphatically recommend rejection of the GLC view that there is any particular danger in either a lower level of population to which the present rate of decline is likely to lead, or the particular rate of change itself. The arguments put forward in support of the view that the decline should be retarded are either ... illogical or are unsupported by the evidence. In any case we see very little likelihood that policies could be successful in restraining any particular rate of change" (Layfield Inquiry, DOE, 1972, quoted in Cameron, 1980).

Nevertheless population decline is associated with urban problems deriving from selective out migration which concentrates the more disadvantaged groups in urban areas, a reduction in the provision of public and private services, and a decrease in the local tax base.

The concept of social mix is another mainstay of policy often used in the planning of new towns which has been superimposed onto existing urban areas currently experiencing decline. Sarkissian (1976) traces the history of social mix in planning, commencing with the nineteenth century paternalistic industrialists, such as George Cadbury who tried to create a balanced community (in terms of socio economic characteristics) at Bournville. She discusses how social mix was encompassed in the Garden City movement and later the new town concept in Britain, as well as in neighbourhood planning in the United States. However, although the concept of social mix was championed, there is little empirical evidence to support its practical existence. For example, Stewart (1975) notes that:

"The concept of social mix, central to much of planning philosophy, is based on an assumption that there is some size of area within which there should be a mix" (Stewart, 1975, 101).

Sarkissian herself lists a number of questions concerning the validity of social mix in terms of the benefits supposedly accruing to individual residents of mixed areas. For example, do mixed areas encourage people to improve their conditions? Does mix improve people's standards of living? Are more services available

to lower income groups? Is there greater interaction; do people take part in similar social activities? That is, Sarkissian's questions refer to the existence of social mix once physical mix occurs.

Evans (1976) is more concerned with the economic arguments surrounding social mix. He suggests that the economic reason for such a policy would be to improve the functioning of a city, together with the welfare of its residents, in three ways. First, social mix would ensure leadership. Second, mix would encourage economic stability and, third, essential services would be maintained at minimum costs.

Two groups of critics of social mix are noted by Sarkissian. First, those who argue that social mix is incompatible with freedom of choice. For instance, Gans argued that democratic choice conflicts with the imposition of social mix (Gans, 1968). The second group of critics, from a more radical viewpoint, suggests that social mix is a policy by which the dominant class attempts to incorporate the working class (Simmie, 1974a, 1974b). (Indeed the latter critique appears to be justified to some extent by the first way in which Evans suggests that social mix could benefit a city and its residents.)

Cooke (1983), following Evans (1976), indicates three reasons why, in practice, higher income groups tend to be segregated from those on lower incomes, and thus why policies of social mix do not work. In the first place, higher income households have greater

choice of residential location and therefore are more likely to achieve their preferred optimum than other groups. A second constraint is social class which tends to limit the possibility of relationships outside this grouping. The last reason for segregation rather than mix is institutional. Housing allocation and location may depend on, for example, housing managers, or on the lending policies of building societies. Further, if a residential area is mixed, this does not necessarily benefit lower income residents. For instance, services are likely to cater for the needs of the higher income residents who are able to afford them and to attract similar custom from further away at prices beyond the reach of lower income groups. Cooke concludes:

"There is an absolute contradiction between freedom of choice and the achievement of balanced, socially mixed communities in an economy which is based upon the institution of private property" (Cooke, 1983, 96).

Goldthorpe et al (1969) in their study of affluent workers in Luton examined the effects of mix and social relations. Affluent manual workers were becoming owner occupiers on estates which also included clerical, managerial and professional groups. Yet they noted that the results of the research indicated no change in working class attitudes or incorporation into middle class values. Such affluent workers were adopting a more privatised life style but, for instance, did not see their new owner occupied housing as an advance in status. Increasingly privatised life styles in all social groups also bring into question the extent of social mix in practice and any policy which seeks to create it.

Urban policy objectives such as population stabilisation and social mix can be analysed in terms of a particular planning theory, structural functionalism, which makes functionalist assumptions about the development process. Under such a theory, generally agreed planning goals are to be fulfilled through development, such as the provision of private housing in particular locations. In this case private housebuilding is assumed to be functional for society as a whole.

Functionalist planning stems from the Berkeley school of structural functionalism which includes such theorists as Foley (1964, 1973), Chapin (1968) and Webber (1968). Foley, for example, has made a key theoretical contribution in his attempt to resolve the problems of unitary and incrementalist planning. His aims were to link spatial and aspatial structures of the metropolitan system and to link the normative and physical structures of that system. He assumes that there are fundamental values which can be inferred from observation of the physical environment. There are three analytical levels to Foley's conceptual system: normative/cultural, functional/organisational, and physical. From norms which are aspatially conceived, he moves to the organisational level which is both aspatially and spatially patterned and thence to the physical environment which is spatially structured, in an adaptive process. However, Foley makes the assumption that society is cooperative. His model requires internal consistency of all subsystems and inputs, as well as agreement among individuals and groups. There can be no radical conflict over goals and different social groups adjust to each other in order that the overall societal goals



are achieved.

Following the 1968 Town and Country Planning Act (England and Wales), generalised social and economic goals became widespread in new town plans, sub regional studies and structure plans. For example, the Milton Keynes Final Report, reviewed by Harloe (1970), had six very general goals: opportunity and freedom of choice; easy movement and access; balance and variety; an attractive city; public awareness and participation; and an efficient and imaginative use of resources. None is controversial, since each can be interpreted in different ways. Yet they are contradictory, as in the case of freedom of choice, against balance. The housing proposals were aimed at social mix in housing allocation in order to achieve a balanced population. They included a range of housing types, sizes, prices and tenures in small areas. Yet, as Cooke (1983) notes, since there were no constraints to prevent segregation, it was unlikely that social mix would occur, as higher income groups, through choice, and class and institutional constraints, tend to segregate from those on lower incomes (see above).

Cooke explains that structural functionalism represents particular interests in society as generalisable. Different values such as interventionism and individualism can coexist due to the functional divisions in society. The workplace with its economic function is spatially divided from the community in which social and political functions are dominant, although the former dominates the latter value system. Therefore, conflicting interests can still be seen as functional.

"Because the ultimate aim of structural functionalist analysis is to describe how the dominant values in capitalist societies operate to structure those societies into orderly and integrated wholes, any forces which come into conflict with this process must either be shown to contribute to it or must be treated as irrelevant" (Cooke, 1983, 98).

Other criticisms of structural functionalism are also noted by Cooke. The planning theory is teleological, in that phenomena are explained as necessary in order to give rise to a consequence. Thus effects are treated as causes. Another criticism is that individuals are assumed to conform to social norms. Those who do not do so are deviant, and any conflicts arising from this are solved institutionally. Further, changes in the dominant value system are not incorporated in structural functionalism. Thus social processes are not affected by historical contingencies. The functional social system and the stress on order and stability indicate the conservatism of the theory.

Structural functionalism, and hence the functionalist goals discussed in this section, are inappropriate for planning and policy making. Cooke (1983) gives three major reasons. First, a homogeneous central value system assumed in the theory does not exist. The expression of desired policy goals does not mean that a consensus is reached. Second, Cooke notes the circularity of the functionalist argument. For example, Foley's (1964) cyclical process consists of cultural values giving rise to different functions which are then represented in space. A detailed physical form arises from the various functions, incorporating dominant values in the built

environment and which then affect the cultural level, and so the process continues. The dominant value system is reproduced in this process. Yet no allowance is made for individual action to change the existing distribution of wealth and power. Such changes are, however, made through the instigation of institutions such as planning. Therefore, structural functionalism as a planning theory is clearly inconsistent. The last reason discussed by Cooke is that the theory takes little account of power. It is assumed that values are arrived at which then give rise to goals to be achieved in a technical way through the planning process. Cooke suggests that in practice bargaining, negotiation and compromise occur. For example, in the current political and economic context of local government, planners will tend to work with local politicians in order to resist central pressures to reduce local autonomy. From the above discussion, we can conclude that functionalist planning objectives, such as population stability or social mix, are untenable in theory and unrealistic in practice.

### 3. Urban decline and policy

McKay and Cox (1979) suggest that urban policy has arisen because post war planning, land use and housing policies have not solved the urban problem. However, the latter is now differently defined. Instead of the problems of overcrowding and urban sprawl, indicated by population and employment growth, it is now suggested that population and employment loss, especially in central areas, is the basis of urban problems. Yet population and employment decline in particular areas is not itself a problem, as shown by the policies of containment and decentralisation in the post war period, which

were aimed at improving conditions in urban areas through containing growth and decanting population and employment. Indeed, as recently as 1977, the Lambeth Inner Area Study recommended a further reduction in population from this part of London and advocated population balance (DOE, 1977).

Nevertheless, population and employment decline have been used as indicators of the existence of urban problems (Moseley and Bentham, 1982). Problems such as unemployment, low incomes, environmental deterioration and poor local services are concentrated in urban areas and are associated with the effects of population and employment decline. For instance, the young and economically active have been more able to migrate from central areas, leaving the old, the very young and those on lower incomes remaining in poorer housing areas.

There are various analyses of the process of urban decline. Descriptive models of urbanisation focus on the stages through which cities pass from growth to decline. For example, Hall et al (1973) focus on population change in their model of urbanisation. The first stage is population concentration with migration to central urban areas. Second comes the process of relative decentralisation in which the central urban area continues to grow but the city spreads outwards as suburbanisation occurs. A third stage is absolute decentralisation, characterised by suburbanisation and an absolute population decline in central urban areas. Last, Hall et al point to metropolitan decline, that is, migration occurs from the entire metropolitan area to rural areas or small towns

(although this stage can also be seen as continuing suburbanisation). Different cities are located at different stages according to their development. Van den Berg et al (1982) go further than Hall et al (1973) in their fourth stage of urbanisation. Urbanisation, suburbanisation, and desurbanisation are their first three stages. The third stage is equivalent to Hall et al's fourth stage. The fourth stage of the van den Berg model is either reurbanisation or accelerated desurbanisation. However, their data for Europe (up to 1975) has led van den Berg et al to favour the process of accelerated desurbanisation in the largest cities. Hall and Hay (1980), although their data comes from the period 1950 to 1970, indicate that in many British cities core areas have been losing employment at a greater rate than population. However, more recent Organisation for Economic Cooperation and Development figures (OECD, various dates) show absolute employment decline in most British metropolitan areas. Yet central city areas have fared badly in terms of both population and employment loss. In the study by van den Berg et al, Glasgow was classified as a city whose central area was suffering from such decline. Population movement in Glasgow is examined below. These models of urbanisation, however, are merely descriptive; they offer no explanation of the processes, nor of the arrival at different stages of urbanisation.

Population decline has been associated with various 'push' and 'pull' factors (Jones, 1979; Hall, 1981). On the one hand, slum clearance and overspill policies have encouraged out movement. On the other hand, pull factors are suggested as the desire

for home ownership and better quality housing, a better environment, changing employment opportunities and the availability of cheap transport. Similarly, Fothergill and Gudgin (1982) attribute the loss of employment in urban areas to push factors, such as land availability and costs. More radical explanations point to economic restructuring; production, reproduction and circulation processes develop in an uneven way, due to the local historical context (Massey, 1983).

'Urban problems' are seen as problems of or problems in urban areas, according to the perspectives illustrated above. Problems are explained as specifically urban due to spatial effects. For instance, the Inner Area Studies (DOE, 1977) found that collective deprivation was due to location. Another explanation is that problems are concentrated in urban areas due to structural economic effects interacting with existing uneven development; they are social and economic problems, not spatial (Hamnett, 1979). Sayer (1979a, 1979b) similarly argues against area based explanations and area policies:

"the very fact that planning operates on an areal basis produces a tendency to treat social problems which are manifested in spatial concentrations as problems of areas as such" (Sayer, 1979a, quoted in Hamnett, 1979).

Area based explanations are based on the effects of space and the physical environment engendering calls for physical renewal of particular areas, to solve social and economic problems. However, many analysts, including Sayer, and Saunders (1985b), now believe

that the causes of problems which occur in cities lie outside the cities themselves, in the social system. For instance, Cameron (1980) states that social problems, such as unemployment and poverty, are not concentrated only in the inner city. Therefore urban policies make no sense (Saunders, 1985). Nevertheless, spatial factors can affect processes which come from society. Saunders suggests that policy will not solve the problems, but can influence where they appear. Thus, for example, enterprise zones and urban development corporations can stimulate investment in their areas, but at the expense of surrounding areas. Saunders concludes that urban policies can only be justified in terms of spatial equity; they are not socially effective. Just as policies of physical renewal, such as housing redevelopment or improvement, have not solved social and economic problems in inner areas, it is unlikely that LCHO, as part of area based urban policy, will do so by providing new or improved housing for sale in particular areas of the city. (I have already argued, in chapters four and eight, that tenure itself has no specific social and economic effects.)

If one adopts the explanation of uneven development, urban policy measures can only ease the symptoms of decline. Cooke (1983) goes further. He suggests that urban policy is functional for the capitalist process of accumulation. He terms the current development strategy for urban areas 'recycling' (as opposed to past planning strategies of containment and decentralisation), by which policies are aimed at recycling labour markets to assist in the recapitalisation of capital (a term used by Miller, 1978, and discussed in chapter eight). Initiatives include enterprise

zones, urban development corporations, development agencies (Scottish and Welsh Development Agencies) and both national and local economic initiatives. Thus, for instance, the London Docklands Development Corporation, by providing new private housing and land for industry, helps in the "social and spatial recomposition of labour power" (Cooke, 1983, 250).

#### 4. Low cost home ownership and urban policy in Glasgow

In this section I will examine LCHO as an element of a functionalist urban policy which seeks to achieve the general goals of attracting population and employment to Glasgow and creating social and economic stability in particular areas, in the public interest, through private housing development. LCHO is specifically encouraged in inner areas and the peripheral estates in Glasgow. For instance, through private investment, Glasgow District Council expects:

"to reproduce in each of the peripheral estates the character and esprit of a medium sized town, by endeavouring to make the estates desirable enough to attract and hold people of all classes in socio economic terms" (GDC, 1978/9, 'Minutes', Print 7, Appendix 11).

Further, in its hope for homesteading and other private housing initiatives in the peripheral estates, the council states:

"It was hoped that by varying the forms of tenure and creating the esprit of a small town, a wider range of people would be attracted to the area giving it social and economic stability" (GDC Housing Department, 1983a, para 1.1).



### Population movement and balance

Policy which attempts to stem population out migration and to attract people back to the city, through LCHO schemes, can be examined at two levels. First, as discussed above, a policy which seeks to stabilise population has the underlying assumption of a beneficial level or mix of population. Second, the policy assumes a relationship between population movement and housing provision in a particular tenure.

Population structure and movement have long been linked causally to housing in development planning. In order to indicate the demand for new housing and how much land is to be allocated for housing development in an area over a period of time, a formula is used which includes natural change in population, estimates of migration, household formation, together with housing stock figures. However, a policy which links the provision of housing to population movement assumes that the formula works in the opposite direction.

Glasgow has experienced a net loss of population since 1951 at an increasing rate through to the end of the 1970's, with a marked change occurring in 1978 when net population change declined from a loss of 18,000 to 24,000 per annum in the early 1970's, to 12,000 to 15,000 per annum in the latter years of the decade (Table 9.1). This post war population change has occurred in a context of planned overspill and the slum clearance programme through Comprehensive Development Areas. Policy intentions were to reduce congestion and poor quality housing. As part of these measures, a restruc-

TABLE 9.1

Population Change in Glasgow 1973-83

Year	Population	Net migration	Total change
1973	923,995	-18,625	-18,963
1974	905,032	-23,863	-24,415
1975	880,617	-22,775	-24,605
1976	856,012	-21,857	-23,915
1977	832,097	-19,805	-22,418
1978	809,679	-12,973	-15,363
1979	794,316	-11,036	-12,622
1980	781,694	- 6,326	- 7,626
1981	774,068	-10,011	-11,897
1982	762,171	- 9,748	-11,157
1983	751,014		

Source: GDC Housing Department, Annual Housing Review 1984

turing of the housing market occurred, with an increase in council house building in the inner city and peripheral estates (Table 9.2). However, migration has also taken place voluntarily, in great excess to that planned for and has occurred at the same time as regional economic decline (Farmer and Smith, 1975). Many sectors of the Glasgow economy have experienced decline, not only heavy engineering, such as shipbuilding and steel making, but also consumer industries, such as clothing and tobacco, stimulating out migration trends.

In 1951, a quarter of Glasgow's population was badly overcrowded, with densities greater than two persons per room and net residential densities of 865 people per hectare (Farmer and Smith, 1975). The Clyde Valley Regional Plan in 1946 laid out schemes for decanting a quarter of a million people to four new towns and to peripheral towns. The First Quinquennial Review of the Development Plan (1960) planned to demolish 97,000 dwellings in 29 Comprehensive Development Areas, targetted at 4,500 dwellings per annum. This implied a building requirement of 100,000 new homes, of which two thirds were to be outside the city boundaries. Overspill arrangements were made within the Housing and Town Development Act (Scotland) 1957, and were designed to correspond to job opportunities outside Glasgow.

However, from 1961 to 1971, only 27.7 per cent of net out migration occurred through the formal overspill arrangements (Farmer and Smith, 1975). Many of the voluntary migrants moved to suburban areas within the Glasgow labour market area. Forbes, Lamont and

TABLE 9.2

House Completions in Glasgow, 1960-83

Year	Local Authority		SSHA		Housing Assocs.		Private		Total
	No	%	No	%	No	%	No	%	
1960	3255	95.2	72	2.1	n.a.	n.a.	92	2.7	3419
1961	2885	91.4	164	5.2	n.a.	n.a.	108	3.4	3157
1962	1949	87.0	56	2.5	n.a.	n.a.	234	10.5	2239
1963	3164	85.4	328	8.8	n.a.	n.a.	215	5.8	3707
1964	4308	86.4	482	9.7	n.a.	n.a.	197	3.9	4987
1965	4159	84.5	601	12.2	n.a.	n.a.	164	3.3	4924
1966	3638	71.8	1372	27.1	n.a.	n.a.	57	1.1	5067
1967	4423	77.9	1156	20.4	n.a.	n.a.	99	1.7	5678
1968	4059	87.2	440	9.4	n.a.	n.a.	160	3.4	4659
1969	3950	82.5	627	13.1	n.a.	n.a.	210	4.4	4787
1970	2587	84.8	258	8.5	n.a.	n.a.	206	6.7	3051
1971	2672	91.9	72	2.5	n.a.	n.a.	164	5.6	2908
1972	2492	84.8	0	0.0	n.a.	n.a.	446	15.2	2938
1973	1741	94.6	0	0.0	n.a.	n.a.	100	5.4	1841
1974	1770	93.7	0	0.0	n.a.	n.a.	119	6.3	1889
1975	1856	81.9	0	0.0	303	13.4	107	4.7	2266
1976	1923	70.4	0	0.0	384	14.0	426	15.6	2733
1977	1733	75.9	20	0.9	1	0.0	530	23.2	2284
1978	1430	69.2	193	9.3	96	4.6	347	16.8	2066
1979	615	40.2	85	5.6	11	0.7	817	53.5	1528
1980	385	27.9	79	5.7	20	1.4	897	65.0	1381
1981	588	18.1	972	31.6	470	15.3	1079	35.0	3079
1982	161	9.6	254	15.1	69	4.1	1201	71.3	1685
1983	63	3.9	147	9.1	102	6.3	1299	80.6	1611

Source: GDC Housing Department, Annual Housing Review 1984

Robertson (1979), using 1974 data, found that 39 per cent of economically active migrants moved to suburbs and nearby new towns, indicating a redistribution of population across administrative boundaries. Randall (1980) argues that the assumptions behind the overspill programme have changed over time, making the plans redundant. In the first place, the economy of West Central Scotland has declined to a greater extent than anticipated. Thus some migration was 'pushed' by the lack of employment opportunities. Second, population and household formation trends have altered, with a natural fall in population and high migration loss. Third, migration has been selective, in terms of age and socio economic characteristics. Jones (1979) notes that 28.4 per cent of net out migrants between 1966 and 1971 were aged between 25 and 34, and the majority were under 45. A fifth of net migration from Glasgow in the same period consisted of professionals, managers and the self employed, which was twice their proportion in the total population in 1966. The population remaining in Glasgow consisted of a high proportion of semi and unskilled workers and a high level of older age groups and the very young, raising dependency ratios.

Despite these trends, overspill plans continued with a working party from the Scottish Development Department and Glasgow Corporation in 1970 proposing another new town, at Stonehouse, giving an additional 65,000 houses in line with the redevelopment plans. However, central government policy towards redevelopment began to change, indicated by the 1969 and 1974 Housing (Scotland) Acts (similar to those in England and Wales), which focussed on rehab-

ilitation and area improvement, rather than on large scale clearance. Regional policy became concerned with the scale of population and employment change. The West Central Scotland Plan in 1974 stressed the need to improve the urban environment in order to counteract these trends. In particular it recommended widening the type and quality of housing opportunities, through increasing rehabilitation and home ownership in Glasgow. A major consequence was the cancellation of Stonehouse new town in March 1976, with a transfer of government funding to the Glasgow Eastern Area Renewal project, covering 1,600 hectares of the declining East End of Glasgow. The Scottish Development Agency was to coordinate the efforts of the various public agencies involved, in order to regenerate this part of inner Glasgow, partly through private housing provision (SDA, 1980).

Increasing concern over population loss from Glasgow was linked to a focus on tenure mix and housing opportunities in the city. For example, the redevelopment programme had created large single tenure council estates on the edge of the city. A joint report by central, regional and local government (SDD, SRC, GDC, 1978) indicated an increasing vacancy rate in peripheral estates with population change identified as the cause of the problem. In 1971 only 25.1 per cent of housing in Glasgow was owner occupied, against a Scottish average of 33 per cent. Glasgow District Council's 'Housing Plan 1' in 1977 projected a further decline in owner occupation due to the urban renewal programme and aimed to increase home ownership to the Scottish average.

Jones (1979) has examined the links between housing tenure and population migration in Glasgow. He concludes that the demand for owner occupation is from the children of council tenants rather than from people transferring directly from council renting to home ownership. In 1974, 8,263 tenants moved out of the public sector, as against an annual net outflow of population of 26,000 between 1971 and 1974. Jones accounts for the tenant movement as abscondences (2,258), evictions (844), overspill (649) and elderly deaths and moves to relatives or old people's homes. He concludes that there was little desire for owner occupation by existing tenants. The major components of population decline were found to be new households purchasing on the periphery, households moving within the owner occupied sector, and people moving to new towns (Jones, 1979). Jones suggests that the demand for owner occupation was in reality a demand for better housing rather than for a particular tenure.

"The evidence in Glasgow suggests that while there is a demand for home ownership by certain groups it is motivated in part by the desire for good housing and that this is only available to them in the private sector. The building of houses for sale within the city will undoubtedly help to stem the migration of newly married young couples to the periphery. But as long as houses continue to be built for sale on the edge of conurbations the price differentials will need to be sufficient to attract people to inner city sites" (Jones, 1979, 211).

This suggests support for subsidised LCHO schemes in inner Glasgow.

Randall (1980) comments that population decline has exceeded employment decline from Glasgow, indicating an increase in travel to work inflow. He suggests that an important influence on population decline is the attractiveness of the housing environment. Yet this does not necessarily mean the provision of owner occupied housing. A lack of suitable housing in Glasgow, together with the availability of such housing in the suburbs may be part of the explanation for population out migration. The out movement of population within the local labour market may be associated with a limited range of house types and variations in housing quality, as indicated by average house prices which are relatively low in Glasgow in comparison with the rest of Scotland (Dawson et al, 1980) together with a high proportion of tenement flats in both the council sector (53.2 per cent) and the owner occupied stock (50.5 per cent) (GDC Housing Department, 'Annual Housing Review 1984'). Nevertheless, an important trend in most cities has been workers moving for employment reasons, following the out movement of firms (Grosskurth, 1982) within and outside the city. Glasgow District Council estimates that about half of those people moving out of Glasgow move out of Strathclyde Region and must be presumed to be moving for employment reasons (GDC Housing Department, 'Housing Plan 2').

As noted at the beginning of this chapter, stemming population out migration through new private housing development is an important council goal. Glasgow District Council notes the need to monitor this aim through research to assess "whether private sector newbuild is encouraging people to come back to Glasgow" (GDC Housing Depart-



ment, 'Housing Plan 6'). Studies of population change in Glasgow (SDD, SRC, GDC, 1978; Forbes, Lamont and Robertson, 1979) have noted the increasing polarisation of Glasgow's population in terms of age and socio economic characteristics. The loss of population from Glasgow is linked to the surplus of housing especially in the peripheral estates as well as the loss of rates revenue and the earning and spending power of migrants. Other problems include the amount of vacant land, unviable facilities, pressure for housing development in surrounding areas and the concentration of dependent and unskilled groups. The council rejects the problem as merely a "flight across an artificial administrative boundary" (GDC Housing Department, 'Housing Plan 2', para 2.5.13.4) and see it as a reflection of the quality of life in Glasgow. 'Housing Plan 2' suggests a significant link between owner occupation and out migration and thus gives priority to increasing home ownership in Glasgow.

In order to examine the contribution of LCHO schemes to population movement, it is important to establish the pattern of movement of the new buyers. From the author's survey of LCHO schemes in Glasgow in 1983, the majority of those interviewed were living in Glasgow prior to their move: 72.8 per cent of existing households and 68.7 per cent of new households members. Of those who originally came from outside the city, many had moved into Glasgow prior to buying a house in one of the new schemes. For instance, 57.5 per cent of continuing households originally from outside Glasgow had previously moved into the city. Thus other factors had provided the initial attraction, as opposed to the availability of new

private housing. Nevertheless, 25.4 per cent of continuing households and 31.2 per cent of new household members had moved into Glasgow, into LCHO schemes. Some households may be moving into, or remaining in, Glasgow due to a lack of available new housing in the suburbs outside the city (housebuilding in the surrounding districts has fallen in comparison with the increase in Glasgow since 1978, as discussed in chapter six). Of the 54.6 per cent of new house buyers in the survey who had considered other new housing, 41.7 per cent had looked outside Glasgow within Strathclyde Region. The availability of new private housing in particular places influences the location of those wanting to move to new housing within a particular labour market. The new schemes covered by the survey are retaining new buyers in the city who may have moved out for housing reasons, within their area of employment.

Individuals moving into the new schemes are by definition from mobile sectors of the population. They tend to be young and skilled. 90 per cent of people covered by the survey were under 45 years old, with 46.8 per cent of the economically active employed in white collar occupations and 30.4 per cent in skilled manual employment. Since such groups are the most mobile as individuals, new buyers will be difficult to retain. Attracting a mobile sector of the population appears incompatible with population stability as an objective of LCHO. However, stability has implications for the structure of population. In order to achieve population stability, a variety of age groups would be required to remain, or move into the city. If LCHO is catering for mobile groups, the young and skilled, alternative housing in Glasgow should cater

for their changing needs over time, and for other age groups, household types and income levels.

In the survey, 45 per cent of households were intending to move. Of these, 12.7 per cent gave employment reasons, 28.7 per cent wanted a different house type or area, and 42.7 per cent gave their reason as a larger house or possible increase in family size. Only 53.3 per cent of all households envisaged remaining in Glasgow. Therefore, there is likely to be a high turnover of individual households in LCHO schemes as well as a continuing migration out of the city (this is not to say that net out migration will remain). LCHO schemes may have postponed out movement rather than stemmed it.

Another focus of the policy is on the changing structure of the city population. The population structure of Glasgow, despite fears during the 1970's, now closely resembles that of the whole of Scotland, although the city has a higher percentage in the 15 to 29 age group (GDC Housing Department, 'Annual Housing Review 1983'). The fall in net out migration, from 1978, and the improving age structure occurred before or at the same time as the increase in new private housebuilding and the implementation of LCHO schemes in Glasgow. Thus other factors have been important, possibly the impact of economic decline and the recession reducing employment opportunities outside Glasgow.

It can be argued that LCHO is catering for the changing population and household structure of the city rather than itself changing

this structure. At present there is a particular peak in the 10 to 29 age group in the population distribution of Glasgow (1981 Census of Population). This includes the stage in the life cycle when new household formation is dominant. Although council projections expect total population to decline from 760,955 in 1982 to 729,334 in 1989, the number of households is predicted to rise by 6,826 in the same period (GDC Housing Department, 'Housing Plan 7', para 4.4) (Table 9.3). Thus there is need for more housing for younger age groups and smaller households, indeed of the type provided in LCHO schemes. If insufficient suitable housing is not available in Glasgow, such households are likely to move out. The particular types of small housing in inner Glasgow close to central facilities and workplace is catering for some small households whose requirements are different from the facilities available for those living on a suburban estate (as discussed in chapter ten).

LCHO housing is also being bought by previous council tenants, in opposition to Jones' (1979) finding, discussed above. 35.9 per cent of continuing households in the survey came from council (or Scottish Special Housing Association) housing. Dissatisfaction with their previous housing was voiced by 28 per cent of this group and such factors must be expected to continue to produce buyers while central government restrictions on council housing expenditure continue. New households are also unlikely to enter good quality council housing, with the shortage of small sized dwellings and the priority afforded to families with children (further discussed in chapter ten). 65.6 per cent of new household

TABLE 9.3

Population and Household Forecasts for Glasgow

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	Estimates for mid year 1982	GDC Forecast to 1989 (1982 based)
<hr/>		
Total Population	760,955 <sup>1</sup>	729,334
Total Households	279,420 <sup>2</sup>	286,246
Average Household Size (population in private households)	2.68	2.51

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1 Registrar General's Mid Year Estimates

2 GDC Estimates of Households at mid year derived from  
1981 Census of Population

Source: GDC Housing Department, Housing Plan 7

members in the survey (who formed 32.5 per cent of the sample) were previously living in council accommodation, usually with parents. Thus LCHO is an alternative, for those who can afford it, to waiting for good quality council housing.

New private housing (as opposed to transfers from a different tenure, such as improvement for sale and homesteading in Glasgow) is not a direct means of attracting or retaining population. In the first place, new private housing is only one influence on overall housing stock. Whereas total housing in Glasgow decreased by 337 from 1981 to 1982 and owner occupied dwellings declined by 591 in the same year, newly built private housing provided 1,201 units (see the discussion in chapter eight). Second, private housing schemes are enabling or encouraging some households to form or to move from shared accommodation. It is expected that the number of one person households in Glasgow will increase by almost 7,000 from 1983 to 1989, to almost 29 per cent of all households (GDC Housing Department, 'Housing Plan 7', para 4.7). In addition, about 70 per cent of those forming new households in the LCHO survey were previously living within the city. These factors combine to suggest that LCHO schemes have a redistributive effect upon population in Glasgow. Third, only a proportion of new buyers in LCHO housing release other houses in the city. From the survey, for every 100 houses provided, 46.5 other units were released (by continuing households, not previously sharing accommodation, who were formerly resident in Glasgow).

### Socio economic structure and social mix

The out movement of population in Glasgow has been linked to the residualisation of the population in various ways. Glasgow's age structure indicates a high proportion of elderly people and teenagers, together with a low proportion in the 25 to 50 age group (GDC Housing Department, 'Annual Housing Review 1983'). It is particularly the young and more active groups who have been moving out. The 'imbalance' is particularly noticed in two types of area, the inner city and peripheral estates. For example, whereas overall unemployment was 16.6 per cent in Glasgow (1981 Census of Population), the figure was as high as 33.9 per cent in Easterhouse, a peripheral estate, and 27.8 per cent in Govan, in the inner city (Strathclyde Regional Council, 1982). Both types of area have been associated with social deprivation (GDC, 1983), with the highest levels concentrated in the inner city in 1971, but moving outwards to the peripheral estates by 1981. The indicators used include unemployment, large households, overcrowding, single parent families, the sick and disabled, and amenity deficiency.

In both types of area, policy initiatives have sought a 'balanced community'. For instance, the Glasgow Eastern Area Renewal project aims to retain and attract a young and active population to give a balanced age, skill and income range, and to maintain local services, in a large part of the inner area of Glasgow (SDA, 1980). The Peripheral Estates Initiative (GDC 'Minutes', 1978/9) sought to create the 'esprit' of a 'medium sized town' for each of the large council estates, which would cater for all socio economic

classes. In both cases a key housing initiative to achieve such objectives is widening tenure choice through encouraging private housing provision. Nevertheless despite the similar tenure policy, the existing tenure structure of inner city and peripheral estate is very different. The inner city has a mix of privately rented, housing association, council housing and owner occupied housing, whereas the peripheral estates are almost entirely council housing. For instance, the Govan ward in inner Glasgow consists of 53.9 per cent council housing, 4.3 per cent Scottish Special Housing Association, 15.9 per cent owner occupation, and 25.8 per cent privately rented or housing association stock, in 1984 (GDC Housing Department, 'Annual Housing Review 1984', para 2.2). In 1984 council housing formed 98.1 per cent of Easterhouse ward's housing stock, the remainder consisted of council house sales and home-steading. It is necessary to question a policy which applies a similar tenure solution to two 'problem' areas which differ substantially in tenure terms.

It is not possible to equate tenure categories with social and economic characteristics. The discussion in chapters four and eight has argued this point in terms of the relationship between tenure and class. The policy assumption is that increasing home ownership itself will diversify the socio economic structure of an area, when it is the type and price of housing which may do so. In addition to implying that particular socio economic characteristics are associated with owner occupation, it further implies that an individual moving within a local area and changing tenure will change in socio economic terms due to her/his change in tenure.



It can be shown in Glasgow that home owners are very diverse. Such diversity can be linked with the diversity of the housing market, with a wide range of house prices, financing arrangements, house types and quality, which are historically and spatially specific. As in most inner city areas, Glasgow contains a majority of older, cheaper owner occupied housing whose residents have a relatively low income. A study of the cheaper end of the private housing market has indicated that those on the lowest incomes in this tenure have been short term, low price owner occupiers constrained into the private sector, and rental buying if they could not obtain a mortgage (Dawson et al, 1980). A survey of heads of households of owner occupied inner city tenement housing within the 'Cheaper End' study found that 36.1 per cent of respondents were earning less than £20 per week in 1976 (equivalent to £50 per week in 1983, at the time of the author's LCHO survey). In contrast, incomes of buyers in LCHO schemes were much higher. Average income for the highest earner per household in the survey was over £7,000 per annum or approximately £135 per week in 1983, with only 2 per cent on an income of less than £50 per week. Therefore, the socio economic circumstances of buyers will differ with varying house prices, types and financing.

A significant proportion of households in the author's LCHO survey had moved from other housing tenures. For instance, 64 per cent of continuing households had done so. Their change of tenure does not necessarily mean a change in their socio economic circumstances. A prerequisite for buying into the newbuild LCHO schemes was a stable, relatively high income, at an average household

level of £9,500 per annum, in order to obtain a mortgage, with 63 per cent of house prices ranging from £20,000 to £25,000. In the homesteading scheme, however, house prices were low at £4,500, and 50 per cent of households were living in the area prior to entering the scheme. Their change in tenure indicates that the availability of housing in a different tenure does not necessarily attract a different group of people to an area. Thus, tenure diversification cannot be equated with socio economic diversity.

A second question which arises from the policy is the identification of socio economic problems with particular tenure sectors. In the two different types of area, inner city and peripheral estate, the policy of encouraging owner occupation implies that the existing tenure structure is problematic. Yet we have argued that it is not possible to equate socio economic characteristics with particular tenures, although there will be sub groups within owner occupation which exhibit particular characteristics, according to house type and price. Thus the introduction of home ownership itself is unlikely to reduce the problems in an area. Through new private housing, Glasgow will gain, for example, in the form of rates and receipts from the sale of land. In addition, owner occupation attracts higher government subsidies at the present time than other housing tenures. However, these factors are dependent on the present policy context. It is not the diversification of tenure itself which will aid the city.

The third question concerns the concept of 'social mix', as discussed earlier in the chapter. The policy assumes that a mix of socio economic groups will give rise to social mix or the creation of community. That is, if significantly different groups of people are brought into an inner city area or peripheral estate, this will bring about the formation of a socially balanced, stable community. We have argued that tenure diversification does not necessarily bring about the diversification of socio economic groups in an area. Although approximately 27 per cent of all households in the LCHO survey came from the local areas, they were able to buy a house of a particular type and price. Different groups of people are brought into an area through the availability of different types of housing with specific access conditions. Yet the leap from such diversification to social mix is questionable.

Social mix as a functionalist planning objective has been questioned earlier in this chapter. However, empirically it is difficult to examine, particularly at a time of increasingly privatised life styles (a trend noted, for instance, by Saunders and Williams, 1984). Evidence from the author's work in Glasgow disputes the existence of social mix, between residents in LCHO schemes and those in the surrounding area. For instance, several people in the homesteading scheme in Easterhouse raised the issue of a local play scheme which was set up specifically for their own children as a result of their exclusion from the facility used by the surrounding council tenants. In addition, homesteaders were concerned over the consequences of removing the 24 hour security guards from the site. This finding is in contrast to Glasgow District

Council's own survey of the first phase of its homesteading scheme in the same area (GDC Housing Department, 1983a), in which 40 per cent of respondents stated that they liked their neighbours (although the latter term was ambiguous and could have been interpreted as homesteaders themselves, rather than the surrounding council tenants) and only 7.5 per cent reported resentment from tenants. Another example can be taken from a new private housing estate in Govan, built on land sold by the District Council to a private housebuilder in an inner city area. New buyers on the estate were significantly different from existing residents in terms of type and security of employment, together with income level (discussed in chapter ten). On the new estate, feelings of hostility from residents of the surrounding tenement housing area were expressed by residents of the new houses, which consisted of houses with gardens. A high burglary rate in the new scheme was also noted by many, and linked to the local area.

Further, social mix, in terms of the use of local facilities is difficult to sustain when the majority of households in the survey did not look to the local area for their main needs, including services and employment. Only 5.6 per cent of households used local shops for their main food shopping and 14.6 per cent of the largest income earners per household worked locally. Yet, with the increasing dependence on supermarkets and increased distance of journeys to work, this is not surprising. In addition, it was noticeable that the social patterns of those moving into the new housing schemes did not change (although they had moved relatively recently, and may change their social patterns as they settle

into the area). Many continued to use shopping, and, particularly, leisure facilities which they had used prior to moving.

#### Employment change

As noted above, one aspect of LCHO policy is to encourage the economically active back to Glasgow. Further:

"The Council ... aims, through widening tenure choice and promoting good quality housing provision, to attract firms to the city" (GDC Housing Department, 'Housing Plan 7', para 10.14).

This statement makes four assumptions which can be questioned. First, it is assumed that the young and active left Glasgow in the first place due to the lack of owner occupied housing in the city. This issue is discussed above. Second, if such groups are attracted back by the new housing initiatives, it does not follow that they would be able to gain employment. It is assumed that employers are seeking the particular skills possessed by new buyers. Thus the link between private housing provision and the attraction of firms relies on a third assumption, that the young and active are coming from outside the local labour market. This point can be questioned from the author's survey, which showed that 71.9 per cent of respondents were moving from within the city boundaries, and a total of 83.4 per cent came from Glasgow or its surrounding suburbs. This follows from the finding of Farmer and Smith (1975) and Randall (1980) that most of the voluntary out movement of population, not associated with employment change, had occurred within the commuting area of Glasgow. Last, the policy makes the assumption that firms will be attracted to the

area by the availability of housing for incoming workers. This is an argument currently put forward by private housebuilders in their attempts to gain planning permission for executive housing in many parts of the country. Yet Glasgow District Council's argument is limited by applying to housing only within its administrative boundaries, whereas an employer is not constrained in this way.

The council has estimated that 2,600 jobs in construction and related industries are directly linked to private housebuilding in Glasgow (GDC Housing Department, 'Housing Plan 7', para 5.22). Yet it is impossible to discover if these jobs would have existed without council land sales to private developers. That is, policy which encourages private housebuilding may have transferred, rather than created, jobs from other locations elsewhere in Glasgow or outside the city. Further, a proportion of the 2,600 jobs may be taken by people living outside Glasgow, and thus not directly benefitting city residents. The figure is also questionable in that multiplier effects, in this case the generation of employment from housing initiatives, are difficult to measure accurately and cannot be attributed to a single cause. Construction jobs in the city can also be associated with the high rate of improvement of older tenement housing through housing association grants and the availability of individual grants (freely available until 1984). The construction jobs generated will be temporary unless the rate of improvement and newbuild continues.

In addition to direct employment, Glasgow District Council claims that the new housing initiatives have indirect effects:

"Housing activity generates employment ... indirectly through the spending locally on various goods and services of those who are housed" (GDC Housing Department, 'Housing Plan 7', para 10.12).

The survey of LCHO schemes in Glasgow produced no evidence of the stimulation of local services. For instance, as noted above, most new buyers did not use local shopping facilities for their main needs. The majority had sufficient income to travel to other shopping and leisure facilities. Any employment effects would be difficult to gauge due to the relatively small number of houses in a particular scheme in a local area.

LCHO initiatives in Glasgow are also part of improving the attractiveness of the city in physical terms. Vacant land has been built upon and dilapidated buildings improved. New private housing schemes are significant at a time when central government restrictions have been placed on public sector building and private improvements. Environmental quality is argued to be an influence on house buyers. For example, Dawson et al (1980) in their study of the 'Cheaper End' of the Glasgow private housing market found that most households who rejected the inner city did so on environmental grounds. However, the quality of the environment is greater than the condition and appearance of the housing or estate itself, and the improvement of surrounding areas will often rely on public expenditure, as in the case of environmental improvements through the Scottish Development Agency in the Glasgow Eastern Area Renewal

project. We have noted above the likely increase in the local tax base through new private housebuilding within Glasgow District Council boundaries. It can be argued that a local authority experiencing fiscal problems is more likely to support a policy which involves new or improved private housing provision.

## 5. Conclusions

I have argued that Glasgow District Council's urban policy aims of achieving stability through population movement and mix, and through a range of socio economic groups are functionalist goals for LCHO policy. Not only is functionalism a disputed planning theory, but the fulfilment of functionalist aims is questionable in practice. Social mix does not occur, for instance, because higher income groups tend to segregate through choice, class and institutional constraints (Cooke, 1983). If such aims are sought, it is unlikely that private housing development itself will fulfill them effectively. However, some people are retained in Glasgow, rather than moving out to the suburbs, through the availability of private housing in the city. Further, different socio economic groups are brought into the area through private housing provision of a different type and price to that already existing there.

The following chapter examines the policy aims of widening tenure choice and meeting housing needs, for different groups of people, through a discussion of the concepts of 'choice' and 'need', and by evaluating the success of LCHO policy in Glasgow in achieving these aims.



## CHAPTER TEN CHOICE AND NEEDS IN HOUSING POLICY AND THE ROLE OF TENURE

### 1. Introduction

A focus on choice and need implies a concentration on the consumption and distribution of housing in the context of LCHO policy. It also means a discussion of individuals and groups. In doing so the emphasis is changed from previous chapters in which policy objectives are in the interests of society as a whole (as claimed by national government or local authorities) to goals of a policy which is to the benefit of individual members.

Meeting housing needs which remain unsatisfied through the market has been a justification for government intervention in the housing field since the inception of housing policy. Poor housing conditions, a lack of facilities and insufficient housing for those on low incomes has been a prime concern (Donnison and Ungerson, 1982). However, there has been a gradual shift in government housing policy in the post war period. Initially, policy was to provide widespread council housing in order to meet perceived general needs. This later narrowed to a focus on special needs. Yet, with the decline in expenditure on council housing since the mid 1970's, the private sector is increasingly left to cater for the majority of housing requirements. In addition, since a crude surplus in housing over the country as a whole was identified, government policy has shifted from a concern with overall housing needs to the concept of choice. This is evident from the 1977 review of housing policy (DOE, 1977; SDD, 1977).

This shift in emphasis can also be seen as a division in political ideologies between socialist and laissez faire approaches. The former supports intervention in the market based on need, whereas the latter is concerned with the right of the consumer to choose and thus favours the removal of state interference in the market and consumer sovereignty. Economic growth is then encouraged in order to provide increased wealth and a greater share for all. A focus on choice has been limited to tenure choice, justified by the evidence that owner occupation is the preferred tenure of the majority of the population (for example, Building Societies' Association, 1983), together with the continuing tenure bias of housing policy.

It appears that there is a continuum in policy terms from needs to choice, from intervention to laissez faire. Yet in the case of LCHO, the schemes are seen as a means of widening tenure choice in addition to meeting housing needs. This apparent contradiction in one housing policy measure is examined in chapter ten. The concepts of 'choice' and 'need' will be applied to a discussion of LCHO policy objectives of widening tenure choice and meeting housing needs in Glasgow.

## 2. The concepts of 'choice' and 'need'

A discussion of choice and need can be linked to debate on the welfare state and intervention in the field of housing. After 1945, following the experiences of depression of the 1930's and the second world war, there appeared to be a political consensus over a variety of welfare policies in the fields of health, social

security, education, planning and housing. However, Taylor-Gooby (1985) argues that this 'welfare consensus' over need was only apparent; reality was more complex, as discussed below. Changes in the welfare state in the post war period, for example in housing from public to private provision and consumption, reflect different political ideologies.

Mishra (1984) is concerned with the theoretical structure of the different approaches to welfare. The welfare 'consensus' has been attacked in two ways, through neo-conservative and neomarxist theories. Both see the welfare state as precipitating a crisis. Neo-conservative theory (as represented by Hayek, 1979, and Friedman, 1962) gives evidence of welfare state failure. First, government becomes overloaded by competing demands from different interest groups which can lead to unchecked growth in its activities in the provision of welfare. Second, in economic theory, intervention was developed to correct the failings of the market economy (social costs, externalities). However, neo-conservative theory argues that such intervention has been proved to be equally as problematic, yet lacking the discipline of the market. There are two economic consequences. First, supply and demand in the market are distorted and, second, the increased money supply as a result of having to finance government spending, caused by higher welfare services, leads to inflation (an important problem in neo-conservative economic theory).

However, Mishra questions the identification of deficit financing as the main cause of inflation. He also notes that in practice,

conservatives have found the overload difficult to manage. The 'political market' of competing interests is a structural and necessary characteristic of democracy. In addition, Mishra holds that the neo-conservative concept of failure misunderstands the problems in society and their possible solutions. For example, claims for 'social engineering' have been taken seriously by neo-conservative critiques when society is in reality so much more complex than this functionalist ideology concedes. (Also, see the discussion of functionalism in chapter nine.)

Functionalist marxist critiques of the welfare state view welfare changes as a means of control rather than (or in addition to) helping those in need. (I have referred in chapter four, for example, to Marcuse's [1978] 'myth of the benevolent state' in the context of housing policy.) Thus in the work of O'Connor (1973) welfare reform maintains and legitimises capitalism. Nevertheless, the welfare state is also contradictory since it has been created of conflicting class interests (Gough, 1979). In this way, for example, O'Connor argues that the welfare state is in crisis. Mishra supports neomarxist critiques as theoretically powerful analyses of the welfare state. However, this is insufficient according to Mishra, since marxism lacks its own politics of welfare. It criticises the welfare state as contradictory and maintaining capitalism yet has no radical alternative and certainly none which has worked in the real world.

Thus it can be argued that the changes in housing policy from a preoccupation with general needs towards individual choice,

and in particular tenure choice (as discussed in, for instance, chapter two), indicate the increasing prominence of neo-conservative theory and a reversion to the political ideology of laissez faire. However, owner occupation is supported by all major political parties in Britain at the present time. For example, the 1977 Green Paper on housing policy in Scotland (SDD, 1977) under a Labour administration recommended widening tenure choice through extending home ownership. Tenure is linked with changes in policy towards needs and choice. Public housing provision is associated with meeting housing needs whereas owner occupation is linked with choice.

The concept of consumer choice derives from economics in which each individual has her/his own preference function. Choice is based on preference but is limited by various constraints, including income. A simple equilibrium model of tenure choice indicates that the consumption of owner occupied housing increases with increasing household income. However, other influences on tenure choice are derived from housing and capital markets which are in disequilibrium, in addition to the actions of government (MacLennan, 1982; MacLennan and Munro, 1986). Therefore tenure choice should not be equated with preference.

Neither should tenure preference studies be taken as an expression of innate desires. Forrest and Murie (1986), in discussing council house sales in Hackney, comment:

"what is presented as the satisfaction of frustrated desires to purchase is severely distorted by the contours of market

prices and local economic circumstances. What makes sense and what is feasible for individual households is a product of specific local factors rather than an expression of innate desires" (Forrest and Murie, 1986, 57).

They also argue that the relative costs of buying and renting are important in determining the decision of a tenant to buy her/his council house rather than a preference for owner occupation.

Merrett's (1982) analysis of tenure choice, in particular the choice of owner occupation, is based on what he terms 'predicate' and 'constraint'. He states that the housing search process for each household is limited by the flow of vacancies, conditions of access determined by landlords, local authorities, building societies or others, as well as the costs of housing in relation to household income. In addition to these three constraints, choice is also based on the predicates of a dwelling, including physical characteristics, control, location and access, mobility, and finance. Housing choice may be restricted by, for example, a lack of privately rented accommodation, the points system for council housing and an insufficient income for good quality owner occupied housing. Thus Merrett argues that buying a poor quality house "is a product of the poverty, not the freedom of choice" (Merrett, 1982, 56). A housing policy which advocates choice in relation to tenure, as do the proposals in the review of housing policy (DOE, 1977; SDD, 1977) is criticised by Harloe:

"words such as 'choice' are current favourites in the language of housing policy and have a latitude of meaning which neatly aids the process of obscuring what is really being proposed"

(Harloe, 1980, 30).

Harloe questions a review which supports housing choice while operationalising it in terms of increasing owner occupation. The concept of tenure choice is also based on a static division between owning and renting. Harloe suggests that choice for the individual could involve easier movement between different tenures at different stages of the life cycle. Merrett (1982) sees the static concept of tenure in a different way. In reality, owner occupation has changed over time, including its financial and taxation characteristics and its legal content. The social meaning of owner occupation is structured by the rights associated with it in relation to those associated with other tenures and these may also change.

The concept of need is part of the theory of social justice or social welfare. In the distribution of a social benefit, the most important criterion is usually held to be need. The definition of need can be used to evaluate existing distributions or in devising a policy to improve allocation. However:

"Defining social justice in terms of need thrusts onto us the whole uncomfortable question of what is meant by need and how it should be measured" (Harvey, 1973, 105).

Harvey adds that:

"Need is a relative concept. Needs are not constant for they are categories of human consciousness and as society is transformed so the consciousness of need is transformed. The problem is to define exactly what it is that need is

relative to and to obtain an understanding of how needs arise"

(Harvey, 1973, 101).

For instance, Harvey lists four ways of measuring needs. First, a definition of need through market demand is likely to be socially unjust. Second, latent demand is measured in relation to a reference group. This method can also be socially unjust in that groups which are badly served tend to express lower standards of need. The third method is potential demand which is statistically determined through an analysis of factors giving rise to, for example, housing problems. Standards of need would be set taking account of available resources. A fourth way of determining needs is through consultation with experts to assess and derive indicators of need.

Harvey also discusses the concept of need in neomarxist analysis. In an examination of use value and exchange value, he notes:

"that the social concept of need and the economic concept of demand are two different things and that they exist in a peculiar relationship to each other" (Harvey, 1973, 154).

The consciousness of need is a social product and is contingent on the mode of production. Need can be created and is intricately related to production, consumption, distribution, exchange and circulation, according to Harvey.

Different political ideologies differ in their definition of need. For instance, a laissez faire approach is likely to adopt a residual role for social welfare (Pinker, 1973). In this scenario, policies have improved conditions and only a remaining hard core of need



is recognised. For the majority of the people, the aim is to extend choice. In contrast, a relative role for social welfare requires continued intervention as needs change over time. Balchin (1981) denies that housing need is just the lack of a crude surplus of dwellings over households. Other housing needs arise, for example, concealed households (living with parents or friends), spatial variations in demand and supply as well as variations in type, size and price of housing. Needs for housing change over time with changing social and demographic conditions. The increasing elderly population, for instance, has special needs. In addition there are more younger people living on their own and a rise in the numbers of low income single parent families.

Whitehead (1986) analyses LCHO policy in terms of the current government's ideology. She suggests that the belief in privatisation is based on the premise that housing is a private good whose benefits accrue mainly to the occupier. In this view government intervention should be limited to ensuring a socially acceptable minimum standard for all. Above this standard of need, government policy should aim to give people the right to make their own choices. Since owner occupation is seen as what the majority prefers, government policy tries to reduce the constraints on access to this tenure. Therefore, one criterion for evaluating LCHO is the extent to which such constraints have diminished. Nevertheless LCHO initiatives involve government subsidies and Whitehead also suggests that each measure should be evaluated in relation to government housing policy objectives which include meeting housing needs.

### 3. Widening tenure choice

LCHO measures can be seen in terms of the policy objective of widening tenure choice. As discussed above, national housing policy is increasingly oriented towards choice (although operationalised as tenure choice). In Glasgow, following the 1977 Green Paper on housing policy (SDD, 1977) and national provision for comprehensive local housing policies through the Housing Plan system, Glasgow District Council housing policy was intended to meet aspirations as well as the more traditional aim of meeting housing needs. The low level of owner occupied housing in Glasgow, reinforced by studies which indicated an excess demand for home ownership (for example, Dawson et al's [1980] study for the Scottish Office) meant that policy was particularly linked to the provision of private housing.

National tenure preference studies, such as that undertaken for the Building Societies' Association (1983) indicate a regional variation in preferences for home ownership. Whereas 85 per cent of households in the south east of England stated that owner occupation was their ideal tenure in two years time, only 60 per cent of households in Scotland in the sample showed a similar preference. Yet this was above the existing Scottish level of owner occupation and much higher than that in Glasgow (at 24.9 per cent in the 1981 Census of Population).

Glasgow District Council's aim was:

"to widen tenure choice in the city through building for sale, making sites available for private development and

encouraging alternative forms of tenure" (GDC Housing Department, 'Housing Plan 6', Appendix 6).

The emphasis is upon new private housing and LCHO initiatives. Widening tenure choice is equated with extending home ownership, in certain areas, particularly the 'inner city' and peripheral housing estates in Glasgow. For instance, a Council publicity brochure, 'Widening the Choice', states:

"Glasgow District Council has put into effect its intentions to widen housing opportunities in the city in an effort to meet not only people's housing needs, but also their aspirations. To reinforce and accelerate the achievement of these aims, the council has adopted specific policies to attract the resources of the private sector to develop, in some cases in partnership with the council, inner city and peripheral area sites" (GDC, 1981).

A major concern underlying the policy to widen tenure choice has been the link made between the low level of owner occupation in particular parts of Glasgow and the outflow of population from the city, especially young and active groups (see the discussion in chapter nine).

Policy to widen tenure choice through LCHO measures is pursued in two ways. First, such schemes increase the availability of owner occupied housing. Through, for instance, improvement for sale or the sale of land to private developers, the overall quality, size and types of dwellings are diversified, in addition to which the total stock of owner occupied housing is increased. Second, LCHO may widen the choice of tenure for those normally excluded

from owner occupation, through price levels, mortgage availability, minimal access costs, and favouring priority groups such as council tenants and waiting list applicants. Therefore LCHO measures are likely to affect the constraints of housing provision in, and access to, a particular tenure. However, other constraints on tenure choice will remain. There will still be restrictions on housing availability and access in other tenures, both council housing and the private rented sector, for those who do not wish or who are unable to buy. Access constraints for home ownership will also remain. Employment conditions and income levels will continue to prevent some people from obtaining a mortgage and therefore being able to make a choice between tenures. Further, in providing housing which is restricted in size and type, LCHO schemes are unsuitable for some households.

This section investigates how LCHO initiatives in Glasgow may diversify tenure structure and housing stock. In addition, I discuss the extent to which tenure choice is widened for different groups of people. Housing provision is examined through the effects of LCHO initiatives on the availability of different housing tenures, types and sizes, in various parts of Glasgow. The different combination of incentives and constraints which affect people's access to new housing schemes differently is also discussed. Empirical material is mainly drawn from the author's survey of households in LCHO schemes in Glasgow.

It is necessary to look at the constraints on choice in terms of housing quantity, type and quality between tenure sectors and in particular areas. An indication of constraints in other tenure

sectors is given by the author's survey of residents in the new schemes. The results showed that 17.2 per cent of households, in their move to LCHO schemes, said that they rejected public sector housing on the grounds of type and quality. If we examine the views of those households who were previously living in council (or Scottish Special Housing Association) accommodation, 28 per cent moved in order to get away from their previous housing situation including the location, as well as type and quality of housing. These figures show that individuals choose LCHO within constraints. In this case, it is not due to any inherent attractions of owner occupation as a tenure but because LCHO schemes offer a better housing situation, in terms of quality and relative cost, than that available in the local authority sector in current circumstances.

If choice is being widened, it is within certain constraints which are demonstrable. New private housing schemes in Glasgow provide houses which are suitable for particular types and sizes of households, primarily consisting of one or two people, although the homesteading scheme in Easterhouse provides family accommodation through the conversion of post war tenement flats built to council space standards. As noted in chapter eight, the majority of LCHO dwellings in Glasgow are in the form of flats (73.1 per cent of the total survey sample). They are mainly small in size, with 38.2 per cent one or two apartment housing and 87.9 per cent of three apartments or less. 70.4 per cent of households in the survey consisted of either one or two people. This is consistent with short term population and household trends (shown in chapter

nine and below).

Policy towards home ownership in inner Glasgow is concerned with a different part of the owner occupied housing market than the pre 1919 low priced owner occupied tenements. The average house price in the new schemes was £20,000 (from 1981 to early 1983) whereas average tenement price in Glasgow was £12,914 in 1981 and £13,166 in 1983 (Centre for Housing Research, University of Glasgow, database, from Register of Sasines). The inner area of Glasgow already provides a mix of tenures with a high proportion of council housing and privately rented tenement flats as well as low cost owner occupation. LCHO in such areas is intended to provide a greater choice through offering different quality levels and types of housing in the owner occupied sector, and cannot be labelled 'low cost'. The spatial character of the policy, which is specifically aimed towards inner areas and peripheral estates, discounts other areas with a majority of owner occupied housing. It thus defines 'widening tenure choice' as the addition of private housing to those areas with a low proportion of home ownership. Different parts of the city specialise in terms of housing tenure; thus the policy ignores tenure specialisation in other areas of Glasgow by concentrating on tenure diversification in inner areas and peripheral estates. Chapter eight discusses tenure specialisation in Glasgow in relation to the extension of home ownership.

LCHO schemes may increase housing stock in Glasgow and thus widen tenure choice (for one particular tenure). However, it is uncertain

that new housebuilding would not have occurred anyway, albeit in different locations within the Glasgow labour market (see chapters eight and nine). There are also other effects on total owner occupied stock in the city (see chapter eight) including housing association activity in inner areas which transfers housing to the rented sector through acquisition, conversion and improvement (MacLennan, 1983).

In order to determine who can choose to own and what this means, it is necessary to examine access to the new schemes, including levels and stability of income, house prices and the availability of mortgage finance, in addition to prices of, access to, quality and type of housing in other tenures. We have already indicated that house prices in the majority of LCHO initiatives were relatively high, averaging £20,000 in the survey, in comparison to the city average of £15,200 for all house types in 1981 (Centre for Housing Research, University of Glasgow, database, from Register of Sasines). Although homesteading prices were very low in the survey, commencing at £4,500, the price had been discounted from an estimated improved market value for the house. 'Top up' loans, for improvements and repairs, made up the difference between the values. Therefore, the real price paid was above the discounted level. The prices of improvement for sale housing, from £11,000, compared favourably with those of other tenements in the local area. Access to homesteading necessitated an applicant being a council house tenant or on the waiting list. However, since there is no restriction on eligibility for council housing in Glasgow, this stipulation has no meaning. The particular improvement for sale scheme included

in the survey allowed priority access to housing association tenants and waiting list applicants. Yet only six out of the 22 flats were sold in this way. The remainder were placed on the open market (Queens Cross Housing Association, 1982).

All housing on sites marketed by Glasgow District Council in the survey were sold on the open market by the housebuilder. Yet access to new private housing has been widened. This is through the marketing techniques increasingly pursued by most builders with their starter homes, rather than any conditions set by the council. The various incentives which minimise access costs to buyers have been discussed in chapter eight. Income levels, employment characteristics and access to mortgages for buyers in LCHO schemes were also discussed in chapter eight in relation to extending home ownership. They indicate that the new initiatives do not necessarily cater for lower income groups as the term 'low cost home ownership' implies. Tenure choice has not been widened for many people on low incomes.

Since the policy of widening tenure choice is applied to specific parts of Glasgow, it is pertinent to investigate whether tenure choice has been widened for people living in these areas through LCHO schemes. Although 27 per cent of households in the author's survey originally came from the local area and about 40 per cent were previously living locally, this was a small group with particular socio economic characteristics, concentrated in a small number of houses. In an inner city site, such as that in Govan, new private housing on land sold by the council was priced at



£21,950 to £24,950 in 1983, yet the average owner occupied tenement price for the Govan area in 1981 was only £8,237 (Centre for Housing Research, University of Glasgow, database). The local unemployment rate in 1981 (Census of Population, from Small Area Statistics) was about 20 per cent with only 10 per cent of the active population in white collar occupations. New private housing and the buyers in Govan were generally different from the existing housing and residents in this area. Therefore, tenure choice has not been widened for the majority of the population in the Govan area. In the East End of Glasgow, within the Glasgow Eastern Area Renewal project, following a survey of residents of new private housing schemes in 1982 (mostly consisting of sites sold by the council to private housebuilders), it was estimated that only nine per cent of existing GEAR residents could have afforded to buy even the lowest priced new owner occupied housing (Lamont, MacLennan and Munro, 1984).

Difficulties experienced with other housing tenures in relation to access to owner occupation must be taken into account, since choice may be linked to problems encountered elsewhere. It was noted above that newbuild private housing affords minimal access costs to home ownership if incentives are available to the buyer from the private housebuilder. These incentives encourage movement to owner occupation and are aided by constraints in the council sector. For instance, rises in council house (and housing association) rents make new private housing more attractive to tenants. This is particularly so for those not dependent on Housing Benefit (see chapter eight). The points system, which in Glasgow dis-

criminales against certain household types, particularly the young and those consisting of one or two adults (see below), represents another constraint. The number of points necessary for a good quality house in an area with reasonable facilities is often out of reach for younger households. In the survey, 15.7 per cent of households rejected council housing due to problems with the allocation system, and, as stated above, 28 per cent of former council tenants moved to get away from their previous housing situation. In Glasgow, the average applicant on the council's rehousing list, including both new and transfer applicants, had been waiting for five years (GDC Housing Department, 'Housing Plan 7', para 4.22). Various constraints in the public rented sector are likely to push households into home ownership, within certain income limits.

Low cost home ownership, in association with other housing policy measures, including the restrictions on council house spending and council house sales may narrow tenure choice for some groups of people. The choice of lower income households who satisfy council criteria through the points system may be restricted to council housing, whereas others are forced into buying a house, either an older tenement flat in inner Glasgow, or if they can afford it, a house in a LCHO scheme.

The preponderance of low cost schemes may give rise to restrictions in housing and tenure choice in the future for those buying now. As discussed in chapter seven, marginal buyers may have problems in mortgage repayments, and redundancy may necessitate movement

out of home ownership. Resale price of new housing built by private housebuilders and offered with incentives such as furniture and fittings may not reach the original purchase price. In the author's survey, there was one instance of 'abscondence' from a new house built on council marketed land in inner Glasgow.

#### 4. Meeting housing needs

This section discusses the extent to which LCHO initiatives contribute towards meeting housing need in Glasgow, given that the major aim of a local housing authority is to satisfy the housing needs of the local area. Chapter six has discussed studies of LCHO schemes elsewhere, their impact and the benefits for individuals and groups, raising issues of housing need.

The main housing policy objective in Glasgow is:

"to provide a comprehensive housing service which effectively discharges its statutory obligations and which responds efficiently and sensitively to the housing needs and aspirations of householders in the city" (GDC Housing Department, 'Housing Plan 6,' Appendix 6).

We have already discussed the problem of defining needs. In practice housing need is defined by Glasgow District Council through its points system and waiting list for council accommodation. This system itself has changed over time. At the time of the author's study, points were given to applicants according to indicators which the council decided reflected need, such as overcrowding, need for urgent rehousing, lack of amenities, or 'children at a height' (families with children living in high rise accommodation)

(GDC Housing Department, 'Your Home in Glasgow', no date). These indicators were weighted according to their perceived importance by the number of points allocated to each. In the context of LCHO buyers, the points system tended to discriminate according to household type so that a household with children would usually have priority over a single or two person household. The latter would then have less chance of entering good quality council housing in the short term.

Waiting list applicants must also be matched with the housing available. There is a high proportion of small households on the waiting list, whereas the majority of council houses are of three or four apartments. The size of housing in the total stock does not match household requirements and overall population trends indicate the increasing need for smaller units (see chapter nine). Given problems with the existing stock, new housing production should make a contribution. However, capital expenditure restrictions limit council newbuild to special needs, especially sheltered housing. New local authority housing completions have declined from 1,923 in 1976 to only 161 in 1982 and 63 in 1983 (GDC Housing Department, 'Annual Housing Review 1984'). Therefore new private schemes supported by the council are expected to contribute to meeting housing needs in Glasgow. Yet access to such housing is by ability to pay even if priority is accorded to particular groups.

This section will examine how LCHO initiatives are contributing to the satisfaction of housing needs in Glasgow, in three ways.

First, I will discuss household and population trends which give rise to needs for particular housing types. Second, the implications of LCHO in meeting housing needs will be assessed for the council sector. The third way of examining LCHO and housing needs is to use indicators of need, such as previous housing situation, overcrowding or shared amenities, to discover how the new schemes are meeting the needs of the new residents.

The need for small housing is indicated by the rise in single person households in Glasgow which are expected to comprise 29 per cent of all households in the city by 1989 (GDC Housing Department, 'Housing Plan 7', para 4.7). Although total housing stock is expected to rise by 2,000 between 1982 and 1989 (including private sector newbuild and taking account of conversions and demolitions), the number of potential households is expected to rise by 6,826 in the same period (GDC Housing Department, 'Housing Plan 7', para 4.4), on the assumption that housing availability would enable household formation. If vacancies in existing stock, together with new housing, are insufficient or unsuitable, then potential households may be concealed by sharing or live in overcrowded conditions. Alternatively, they may move out of Glasgow. Overcrowding is an important problem in the council housing sector, with 17.5 per cent of public sector households living in overcrowded housing (1981 Census of Population). The predominance of three and four apartment housing in council stock means that large families and small households form a disproportionately low number who are actually housed in comparison with their share of the waiting list (GDC Housing Department, 'Housing Plan 7', Table 4.5).

In chapter eight we noted how new private housing initiatives can contribute to the availability of small housing in Glasgow (Table 8.1). Thus 87.9 per cent of housing in the survey consisted of three apartments or less, as noted above, with 70.4 per cent of households formed of one or two people. Yet the LCHO schemes are marginal to the apparent total requirements for small housing in Glasgow. For instance, it is estimated that a total of 2,110 dwellings were included in low cost schemes between 1977 and 1983 (Table 6.8). However, 32,202 new applicants on the council waiting list in June 1983 required housing of three apartments or less, together with 26,859 transfer applicants for similar sized units (GDC Housing Department, 'Housing Plan 7', Table 4.4).

There is currently a need for small housing but this does not mean that it should be in the form of LCHO initiatives. Even if priority were given to council tenants and waiting list applicants on all LCHO schemes, it is doubtful that many would be able to afford to buy. The income level and stability required will exclude many (as discussed in chapter eight). It is likely that a high proportion of waiting list applicants would be dependent on state benefits when 64 per cent of council tenants received housing benefit in 1983 (GDC Housing Department, 'Housing Plan 7', para 2.7).

New private housing is expected to relieve pressure on the council sector by releasing council housing and reducing the waiting list (GDC Housing Department, 'Housing Plan 7', paras 4.1, 5.22). Yet two conflicting statements are made by Glasgow District Council

in different sections of the same Housing Plan. They indicate the expectations of the council towards new private housing initiatives. In the context of allowing new households to form when there is a stated shortage of housing, 'Housing Plan 7' hopes that:

"private new building may help to relieve the shortage by releasing council houses, but only to a limited extent" (para 4.1) (my emphasis).

Further, the Plan later states that:

"private new house building benefits applicants on the council's waiting list to a substantial extent" (para 5.22) (my emphasis).

Whereas the first statement refers to the release of council housing stock, the second claims to benefit the council sector through the proportion of new buyers who were previously council house tenants or on the waiting list. In either case, the new private housing examined in the author's survey had a limited effect.

The survey shows that for every 100 new initiative houses provided, 24.2 council houses in the Glasgow area are released, including 19.5 in the city itself (GDC boundaries), and council waiting lists are reduced by 19.2 households. If new private housebuilding on council marketed land is considered separately, 18.1 council houses are available for re-let in Glasgow and its suburbs, with only 14 of these in the city, and the waiting list is shortened by 16.9, for every 100 houses built. This does little to ease the problems of the council which has a lengthening waiting list, standing at 75,511 in April 1983, of which 36,360 were new applicants (GDC Housing Department, 'Housing Plan 7', Tables 4.3 and 4.5).

These figures were growing when the number of lettings were declining from 14,500 in 1979 to 13,000 in 1982 (GDC Housing Department, 'Housing Plan 7', para 4.12).

Through the price levels and access constraints to new housing initiatives in Glasgow and the demonstrably higher than average earnings and the low unemployment rate of new buyers (see chapter eight), we can suggest that council tenants and waiting list applicants who do enter the schemes are those on relatively high incomes. They leave a higher proportion of low income groups such as single parent families, the unemployed and those dependent on supplementary benefit to enter the council sector. Low cost home ownership initiatives, including council house sales which occur in the best housing and relatively affluent groups (GDC Housing Department, 'Annual Housing Review 1984'), are likely to have the effect of concentrating low income groups in council housing. Thus, with arrears, for instance, already at 39.5 per cent in March 1983 (GDC Housing Department, 'Housing Plan 7', para 2.8), LCHO is less likely to benefit the council sector than to feed existing problems.

If income is used as an indicator of needs then LCHO schemes are ineffective. However, if we use other indicators of need, new private schemes can make a small contribution. Some buyers were previously sharing amenities; 11.4 per cent of continuing households were previously sharing accommodation or amenities, primarily with relations. Most new households came from parental homes and some may have been overcrowded.



Housing in LCHO schemes was bought by some who were dissatisfied with their previous accommodation (in terms of location, type and quality). In particular, 28 per cent of former council tenants, as noted above, and 6.8 per cent of those renting in the private sector moved for this reason.

Low cost homes in the inner city are meeting the needs of many small households. Social and economic restructuring have led to changing household structures with a decline in the nuclear family and a rise, particularly, in single person households. One group which is found to require housing in central locations are single female workers with different life styles to a family living in a suburban estate. Rose (1984) notes such a need in her discussion of gentrification in inner urban areas. As noted in chapter eight, 31.2 per cent of households in the Glasgow LCHO schemes consisted of one person, on inner newbuild sites, in contrast to a figure of only 15.1 per cent in the sample of outer newbuild estates, giving an indication of this housing need.

Particular problems may arise for buyers in LCHO schemes in addition to the potential difficulties for marginal owners, noted above. Building standards were a problem identified by many new house buyers in the Glasgow survey. A significant number of complaints, that is 23.1 per cent of all households in the survey, concerned the quality of construction or improvement and finishing (see chapter seven). Lack of space was a problem identified by some buyers, primarily in newbuild starter homes. This varied according to the builder concerned, as shown in Table 7.1.

## 5. Conclusions

We have shown that LCHO schemes cater for a minority of those who constitute a market demand for housing. Effective demand for the schemes is limited to those in particular income categories and household types. LCHO therefore fulfills actual housing need and as such is a positive addition to housing policy. However, if all aspects of housing policy are examined, LCHO represents a real diversion of resources from public to private sectors. The policy is part of a wider negative trend involving the curtailment of investment in the public sector at a national level. There is no strategy to provide good quality housing for all needs, but a focus on choice which is increasingly limited to one tenure, home ownership.

Although objectives of choice and need exist simultaneously at a local level, they may also be contradictory. In the case of Glasgow, widening tenure choice is aimed at attracting people back to the city, particularly the young and economically active. Yet if such groups do buy into LCHO schemes, such housing is less likely to cater for other groups identified as being in need, including the lowest income groups.

SOME CONCLUDING THOUGHTS

1. Structure and substance

Three levels of analysis were identified at the beginning of the thesis and were used in the proceeding discussion of LCHO policy. At a preliminary level I suggested that the title 'low cost home ownership' was a misnomer in many cases since the schemes included within the policy do not necessarily cater for low income groups. Potential problems for low income home owners were also identified, such as mortgage arrears. The extent of implementation on a national scale has not been wide, in terms of overall housing provision in the owner occupied sector. Nevertheless, as Forrest, Lansley and Murie (1984) note, scale is not as important as the specific effects on supply and access. LCHO policy subsidises specific house types, for instance, new starter homes, or particular groups of buyers, in schemes such as equity sharing and mortgage guarantees. Yet, as I have discussed in chapter five, LCHO policy is insufficiently targetted towards specific groups. The only group which can be identified in government policy is 'first time buyers' (DOE, 1981), an increasingly diverse category. Since LCHO is part of national housing policy to extend home ownership, it is a truism that this is accomplished through encouraging first time buyers. Yet this group may consist of young couples, or older people entering owner occupation from other tenures; it may range from one or two person young households to families with children, or to the elderly. Each group has different housing needs which are not necessarily met through LCHO schemes. Similarly, 'first

time buyers' may include a range of income groups.

A second level of analysis was the structure of policy. This included a discussion of central local government relations and the role of the state, in chapter three. Such a focus is important since LCHO measures were individually derived at a local level and later taken up as a policy package by central government. As part of national housing policy, local authorities were then advised to undertake LCHO schemes and have done so to varying degrees, imposing their own policy objectives in a specific locality. In addition to an outline of the mechanisms of LCHO policy in chapter two, an analysis of the policy processes made in chapter five raised the concept of implementation. I concluded that an examination of policy implementation requires the integration of structure with substance.

Third, in a substantive discussion, I questioned the basis of LCHO policy, in particular, its tenure bias, which has no theoretical or empirical basis, as discussed in chapters four and eight. Nevertheless, the concept of tenure remains important in housing policy and in housing analysis (from various perspectives). Further, I examined the assumptions underlying LCHO in its particular role as a policy directed at urban areas. A critique of the functionalist planning objectives of population stability and social mix was included in chapter nine, supported by evidence from the Glasgow context. Chapter ten examined the concepts of 'choice' and 'need', their apparent contradictions and their application in the LCHO objectives of widening tenure choice and meeting housing needs.

Evidence from Glasgow indicated that the latter objectives were met to a limited extent.

Throughout the thesis, the evaluation of LCHO has returned to an underlying theoretical structure of the role of the state in housing policy, analysed in chapters three and four. For instance, the discussion of the basis of LCHO policy and its underlying assumptions was seen in terms of different perspectives on the role of the state, from a laissez faire approach which advocates freedom of choice based on the market, to the pluralist argument of intervention in order to meet needs, or to a structuralist marxist approach which argues that housing policy to extend home ownership is functional for capitalism (other neomarxist approaches reject the latter).

From the preceding chapters and from the above discussion it is evident that LCHO incorporates a wide area of study. The thesis is thus indicative and exploratory. From the analysis, three core areas which require more detailed research can be identified. First, LCHO policy must be researched in relation to mainstream central government housing policy. Although LCHO is indicative of the direction of current government policy, which favours private provision and consumption, it is nevertheless a minor part of housing policy in terms of resources and the scale of schemes. Other more recent measures are potentially likely to have a greater impact upon the extension of home ownership and privatisation. Second, the implementation of LCHO policy needs further investigation, for example, the specification of target groups, policy differ-

entiation and context, the limits to home ownership in current circumstances (Kleinman and Whitehead, 1985), as well as the importance of scale. The last subject for further research includes the effects of LCHO policy. One effect identified is premature access to home ownership and the potential ensuing problems for low income households. Further effects can be gauged, for instance, in terms of the redistribution of resources which follow an emphasis on home ownership, particularly the consequences for the council house sector and for current and potential council tenants. The remainder of this chapter will discuss these three core areas and identify research directions.

## 2. Low cost home ownership and central government housing policy

Central government housing policy and the role of the state in housing can be seen from various perspectives, as discussed in chapters three and four. LCHO is part of a policy to extend home ownership and to reduce public sector involvement in housing. Yet it does not decrease subsidisation. Although council housing expenditure has declined, LCHO schemes are subsidised, through, for instance, low prices in the sale of land to private developers, or the grant system for improvement for sale housing, and as home ownership is extended, an increasing number of people will receive mortgage interest tax relief. Thus policy approves individualised rather than collective subsidisation. LCHO can be seen as part of a laissez faire approach to housing which aims to decrease the role of the council housing sector. Nevertheless, by transferring subsidies from the public to the private sector, housing policy is also increasing central government control at the expense

of local government housing policies, which are geared more to local housing needs and the local context.

However, LCHO cannot be associated solely with the political ideology of laissez faire. Although political ideologies change with changes in government, housing policy measures often remain the same. The roots of LCHO can be traced beyond the present Conservative government, to the 1977 Green Paper on housing policy (DOE, 1977; SDD, 1977) under a Labour administration. Indeed, Merrett (1982, 317) argues that the strategic features of housing policy have remained the same although the implementation has become more extreme. Further, Marcuse (1978) suggests that there is no co-ordinated housing policy in the United States, but that housing policy is part of macroeconomic policy. This can be applied to Britain, in which expenditure reductions in the public housing sector have been used since the mid 1970's to reduce Public Sector Borrowing Requirement.

Although LCHO is part of a policy to extend home ownership, the rationale for such a policy is theoretically and empirically suspect. As Booth and Crook suggest in relation to the problems of evaluating LCHO policy along these lines:

"the underlying justification for promoting home ownership, in terms of the economic and social health of the nation, almost certainly defies a rational explanation" (Booth and Crook, 1986, 243).

LCHO seeks to extend the private housing sector by transferring housing to the owner occupied stock, by new private housebuilding,

and by encouraging people to buy. Council house sales comprise another element of this policy and by their compulsory nature are proving to be more widespread than LCHO initiatives (although they are selective in terms of housing type and council house tenants) (Forrest, Lansley and Murie, 1984; Forrest and Murie, 1986).

More recently, other measures are being introduced which go further in promoting alternative tenures (that is, alternative to public sector housing), and in extending owner occupied stock at the lower end of the market. The Housing and Planning Bill currently going through Parliament, together with the Building Societies Act, 1986, will reinforce these measures, as will the extension of building society activities into private housebuilding, improvement and management.

One particular measure which is likely to be extended is the sale of whole estates from the public sector to private developers, to refurbish and sell for owner occupation. The Bill will make the process of sale easier by enabling the local authority to gain vacant possession of any occupied dwellings in the estate. The Urban Housing Renewal Unit, within the Department of the Environment currently persuades local authorities in England and Wales to transfer derelict or 'problem' estates to the private sector. However, there are suggestions that some good quality estates are being sold, a process which cannot be justified by the Unit's argument of selling estates which the local authority could not afford to maintain or which are semi derelict (Cowan, 1985). This is evidenced by attempts to evict tenants from good quality



property in order to enable the sale of whole estates.

Another proposed initiative is the transfer of council estates to private housing management companies. In this case it is likely that the emphasis will be on ability to pay the rent and not on housing need, causing increased problems for low income groups. The growth of self help cooperatives in the council sector has been welcomed by many local authorities, and is promoted and encouraged by Glasgow District Council as part of a wider initiative to decentralise management and responsibilities (GDC Housing Department, 'Annual Housing Review 1984').

The range of private initiatives, including LCHO, are supported by private sector agencies, particularly private housebuilders and building societies whose interests lie in the extension of the private sector (discussed in chapter seven). With the decline of public expenditure on council house building, developers must rely on the private sector and any initiatives which provide an alternative to speculative housebuilding. Building societies are seeking to diversify their activities in order to rely less on small investors for their income (BBC, 1986).

MacLennan and Munro (1986) point out that homesteading and improvement for sale schemes, which are the only measures largely within the means of low income groups, depend on government improvement grants. Yet improvement grants available to individual owner occupiers through local authorities have been severely limited by central government since 1984. Although not all improvement

for sale or homesteading schemes rely on improvement grant aid, the point is taken that housing policy is uncoordinated in its aim to promote home ownership. MacLennan and Munro argue that the cutback in improvement grant aid is short sighted on the part of central government.

### 3. Implementation of low cost home ownership policy

In chapter five I have argued against the way in which scale is equated with the implementation of LCHO policy. For instance, Booth and Crook ask:

"why, given the pressure and incentives placed on agencies to carry out low cost home ownership programmes, the discretionary initiatives have in fact accounted for so small a proportion of the total of new and improved second hand houses sold since 1980. What, in other words, explains the relative failure to implement the policy?" (Booth and Crook, 1986, 257).

They examine, in particular, implementing agencies and the variety of objectives involved in LCHO policy. However, this emphasis on institutions and process ignores the substantive aspects of policy. Not only must the target population be specified to a greater extent than the generalised category of 'first time buyers', but the context in relation to other policy areas, the macroeconomic situation, the locality, and central local government relations should be recognised, as well as the differentiation within LCHO policy, in terms of objectives, mechanisms, and different policy measures. Further, their interaction with the outcomes of LCHO policy requires discussion, together with an analysis of the basis of policy objectives, such as widening tenure choice or stabilising urban population.

Implementation should not be seen in terms of how many houses are built, or improved, or transferred from the public sector, but why this is so. The investigation should include the types of houses provided, the groups of people buying (and not buying) and their reasons. The possible achievements of LCHO policy should be examined, together with its tenure bias and the limits of extending home ownership. This would include investigating the meaning of the home and home ownership for different groups of people. Urban policy objectives of LCHO policy also require discussion, as do the concepts of 'choice' and 'need' as applied in local housing policy and LCHO. That is, the discussion goes beyond an analysis of LCHO in its own terms. The latter would identify aspects of LCHO which would require modification, such as policy mechanisms or the procedure of implementing agencies. An analysis of LCHO implementation which links structure and substance questions the basis of policy itself and its outcomes.

It is clear from evidence provided in this thesis that the implementation of LCHO policy cannot always be analysed as a whole package. The different schemes within the package have a variety of aims in addition to that of extending home ownership. Homesteading and improvement for sale, for instance, have subsidiary aims of improving the housing stock, which is important in the context of insufficient public financing for improvement and retention for renting. Each LCHO measure provides housing of a particular type and price range in different localities and thus caters for various groups of buyers. In Glasgow, it was found that homesteading and improvement for sale schemes generally pro-

vided housing for lower income groups than newbuild housing. Nevertheless, in Glasgow the schemes could be identified with a wider policy aim to widen tenure choice and increase the attractiveness of the city in order to attract both population and employment. Although these objectives were examined in terms of LCHO policy as a whole, the contributions and effects of different schemes was recognised. Indeed, it could be argued that previous research on LCHO policy (as discussed in chapter six) has concentrated too much on individual schemes within the package and their effects, to the detriment of a wider perspective.

#### 4. Low cost home ownership policy effects

The effects and outcomes of LCHO policy should be analysed in conjunction with policy intentions and implementation, as discussed in the previous section. Therefore, both intended and unintended effects are important to identify.

A major consequence of LCHO policy, recognised in chapter eight is the likelihood of premature access to owner occupation for some households who may encounter problems related to the costs of buying a house. The problems of marginal home owners were identified in chapter seven. In particular, the increasing problem of mortgage arrears was noted. This is more likely to occur with a decrease in household income and/or family break up (Karn, 1983). Since mortgage arrears are more prevalent in low income households, any policy which successfully extends home ownership to low income groups is also likely to increase such problems. However, the effects of LCHO on lower income groups are indirect. LCHO schemes

are not specifically targetted at such groups, merely at the 'first time buyer' who meets specific access conditions. My study of Glasgow found that a minority of low income households were housed through LCHO schemes, which, despite their title, required a relatively high and secure level of income. LCHO schemes in Glasgow have benefitted particular groups of people. For instance, young single households are attracted to small flats provided in certain 'inner city' locations close to city centre facilities. Single person households form an increasing proportion of the city's population.

The effects of LCHO policy can also be discussed in relation to housing standards. In the case of improvement for sale schemes by housing associations, for instance, Smith (1986) notes that, due to the subsidy system, improvement standards may not be sufficiently high and that the schemes are not found in the poorest quality housing areas. Similarly, construction and space standards of starter homes on local authority marketed land were questioned by many new buyers in Glasgow. A national survey for the Department of the Environment (England and Wales) by Littlewood and Mason (1984) has also demonstrated lower space standards of starter homes in comparison with other LCHO schemes. Although such houses meet the needs of small households, they are unsuitable for families. In addition, standards of finishing and construction were a source of complaint in the Glasgow survey. Indeed, in the long term, Booth and Crook (1986) suggest that starter homes could succeed older poor quality inner city housing as a focus for house condition problems.

LCHO policy has an impact on the private housing market and on other tenure sectors. The policy represents a redistribution of public resources to the private sector, away from council housing, although the ability to use capital receipts from the schemes for housing purposes is an incentive for local housing authorities. I have also argued (in chapter ten) that, in combination with other housing policy measures, such as council house sales, LCHO, by changing the access constraints to different tenures, has the effect of narrowing tenure choice, rather than its opposite objective, for particular groups of people. Forrest (1983) suggests that extending owner occupation through council house sales (and, by extension, LCHO policy) diversifies the private housing market, but it may also have the effect of transferring problems between tenures. As the proportion of households in owner occupation increases, so will the incidence of problems, for example, normally associated with council housing. However, Forrest and Murie (1986) also argue that measures to extend home ownership have the effect of marginalising the council sector, as only the most disadvantaged groups, who are unable to buy will remain in this sector. Evidence from Glasgow shows that it is higher income households in better quality council housing who are using their Right to Buy (GDC Housing Department, 'Annual Housing Review 1984') and, similarly, only relatively high income groups are able to afford to buy LCHO housing.

A discussion of LCHO policy effects raises the issue of the role of the state, since in extending home ownership, LCHO has the effect of reducing the role of the local state and increasing

individual dependence on national government through, for example, mortgage interest tax relief subsidies. The role of the state is also a valid focus of attention in the analysis of LCHO objectives and effects. For instance, widening tenure choice is associated with the laissez faire objective of freedom of choice, whereas meeting housing needs through LCHO schemes complies with intervention in the housing market on the basis of need.

Finally, LCHO is a component of local housing policy. In Glasgow, the initiatives are expected to have local effects of increasing the attractiveness of the city. In addition, widespread improvement has occurred through housing association initiatives. A recent, more localised scheme is the conversion of derelict warehouses in the old Merchant City for private housing. However, if the argument is widened, from physical to social and economic effects, the validity of area based policy, the existence of tenure effects, and the basis of social and economic change must be questioned. Thus, even if LCHO policy is examined narrowly as part of a housing policy in the specific location of Glasgow, the area of study is very wide.

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APPENDIX

LOWCOST HOME OWNERSHIP QUESTIONNAIRE

SITE NUMBER

HOUSEHOLD NUMBER

FULL ADDRESS

CALL RECORD:

FINAL OUTCOME

Day      Time      Outcome

1. Successful
2. Refusal
3. No Contact
4. No contact with  
head of house-  
hold or partner
5. Other.....

TYPE OF PROPERTY

1. Detached house/bungalow
2. Semi-detached house/bungalow
3. Terraced house/bungalow
4. Tenement flat
5. Lower/upper flat/4-in-a-block
6. Deck access
7. Multi-storey(greater than 4)
8. Other purpose built flat
9. Other.....



## INTRODUCTION

We are carrying out a survey of owner occupiers in Glasgow on behalf of Glasgow University. The aim is to find peoples views on this type of housing. Any information you give will be in the strictest confidence.

### A. HOUSEHOLD DETAILS

1. Do you own this house/flat?

Yes 1. Own/buying  
2. Shared owner(equity sharing)

No 3. Rent  
4. Other

☐

2. If you do not own this house/flat, are you the partner of the owner?

1. Yes  
2. No

☐

(IF NO, TO EITHER ABOVE QUESTIONS, CLOSE INTERVIEW)

Number of persons interviewed

☐

3. When did you bid for this house?(month/year)

--	--	--	--

4. When did you move to this house?(month/year)

--	--	--	--

5. I would like to ask you about all the members of your household:

<u>Person</u>	<u>Relationship to H. of H.</u>	<u>Age</u>
1		
2		
3		
4		
5		

## CODE

Number of persons in household  
Household composition:

--	--

Single person	16-29	1.
	30-59	2.
	60+	3.

Couples without children	16-29	4.
	30-59	5.
	60+	6.

Single parent  
family 7.

Other families  
with children  
under 15 8.

Household of 3 or  
more adults 9.

11

<u>Ages</u>	under 5
(number in	5-15
each group)	16-29
	30-44
	45-59
	over 60


[illegible]

\_\_\_\_\_

## B. HOUSING DETAILS

IF YES to Q. 6

7. Could you tell me where you, and your partner, used to live before moving here?

FULL ADDRESS:      respondent:    partner:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

TENURE: 1. Local Authority 5. Unfurnished private rent  
2. SSHA 6. Furnished private rent  
3. Housing Association 7. Owner Occupied outright  
4. Rental Purchase 8. Owner Occupied mortgage  
9. Over (code overleaf)

CODE Q.7

Respondent: Address

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Tenure

Partner: Address

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Tenure

IF NO TO Q.6 ANSWER QUESTIONS 8 TO 14

8. Where did you move before you moved here?

Full Address.....

.....

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Tenure (code as above)

9. a. If you used to live in a local authority house,  
did you consider buying it?

1.Yes

2.No

b. What reason did you have for not buying it?

--	--	--	--	--

10. What type of house did you used to live in?

- 1.Detached house/bungalow
- 2.Semi-detached house/bungalow
- 3.Terraced house/bungalow
- 4.Tenement flat
- 5.Lower/upper flat/4-in-a-block
- 6.Deck access
- 7.Multi-storey (greater than 4)
- 8.Other purpose built flat
- 9.Other.....

11. Did you have (CODE 1.Yes 2.No)

- a. Sole use of kitchen/bathroom?
- b. Sole use of garden?
- c. Central heating?
- d. A garage?
- e. A car parking space?

12. How many rooms did you have?

13. Did you share with another family?

1.Yes

2.No

If yes, who with?

1.parents

2.other relatives

3.friends

4.other

14. What was the monthly rent/mortgage repayment,  
(excluding rates)? (£ + p.)

--	--	--	--	--	--

ALL RESPONDENTS

15. IF GLASGOW ADDRESS GIVEN IN Q. 7 or 8

How long have you and your partner lived in Glasgow?

(Years)

Respondent

--	--

Partner

--	--

16. Where were you and your partner brought up?

RESPONDENT FULL ADDRESS.....

--	--	--	--

.....

PARTNER FULL ADDRESS .....

--	--	--	--

.....

17. a. How many rooms does this house have?

--

b. How many bedrooms does this house have?

--

18. Does this house have (CODE 1.Yes 2.No)

a.Sole use of garden?

--

b.Central heating?

--

c.A garage?

--

d.A car parking space?

--

19. Would you mind telling me the purchase price of this  
house? (£)

--	--	--	--	--

20. Were any furniture and fittings included in the price?

1.Yes

2.No

9.Don't know

--

If yes;

1.Carpets

2.Curtains

3.Furniture

4.Kitchen equipment

5.Combination of the above

6.Other

--

21. Were any other incentives offered when you bought this house?

- 1.Yes  
2.No  
9.Don't know

☐

If yes,

- 1.Guaranteed mortgage  
2.Low mortgage interest rate  
3.Mortgage survey fees  
4.Rent free while saving for a deposit  
5.Removal expenses  
6.legal fees/stamp duty  
7.Redundancy insurance  
8.Combination of the above  
9.Other.....

☐

## 22. ALL EXCEPT HOMESTEADERS

Was your name put forward for this house by a local authority?

- 1.Yes  
2.No  
9.Don't know

☐

## C. MOVE

### 23. Why did you move from your last house?

PROMPT What other reasons (CODE 1. if apply)

- |                                       |  |    |                          |
|---------------------------------------|--|----|--------------------------|
| Wanted to own a dwelling              | -wanted to own our own home  | 01 | <input type="checkbox"/> |
|                                       | -wanted the financial benefits of ownership/investment                                       | 02 | <input type="checkbox"/> |
| Personal reasons                      | -marriage  | 03 | <input type="checkbox"/> |
|                                       | -change in family size   | 04 | <input type="checkbox"/> |
|                                       | -marital breakdown   | 05 | <input type="checkbox"/> |
|                                       | -ill health/old age  | 06 | <input type="checkbox"/> |
|                                       | -nearer friends/relatives  | 07 | <input type="checkbox"/> |
|                                       | -change in income  | 08 | <input type="checkbox"/> |
| Job or study reasons                  | -nearer work or study place  | 09 | <input type="checkbox"/> |
|                                       | -changed job   | 10 | <input type="checkbox"/> |
|                                       | -other job or study reason   | 11 | <input type="checkbox"/> |
| Size of accommodation                 | -wanted larger property  | 12 | <input type="checkbox"/> |
|                                       | -wanted smaller property   | 13 | <input type="checkbox"/> |
| Type of accommodation & amenities     | -wanted different type of property   | 14 | <input type="checkbox"/> |
|                                       | -wanted garage/garage space/parking space  | 15 | <input type="checkbox"/> |
|                                       | -wanted garde/better garden  | 16 | <input type="checkbox"/> |
|                                       | -house demolished/clearance area   | 17 | <input type="checkbox"/> |
|                                       | -other housing reason  | 18 | <input type="checkbox"/> |
| Neighbours,neighbourhood, environment | -to get away from neighbours, noise,vandalism,lack of privacy, racial factors,area generally | 19 | <input type="checkbox"/> |
|                                       | -to move to a better neighbourhood   | 20 | <input type="checkbox"/> |
|                                       | -to be nearer amenities  | 21 | <input type="checkbox"/> |
| Forced to move                        | -repossession/eviction   | 22 | <input type="checkbox"/> |
|                                       | -other   | 23 | <input type="checkbox"/> |
| Other (specify).....                  |  | 24 | <input type="checkbox"/> |

### 24. Which one of these was your main reason?

☐

25. Why did you buy a house?

--	--	--	--

26. Did you consider any other tenure?

1. Yes  
2. No

--

27. If NO to Q. 26

a. Why did you not consider privately rented housing?

--	--	--	--

b. Why did you not consider public rented housing?

--	--	--	--

28. If YES to Q.26

What alternative types of housing did you consider?

1. Renting from a local authority
2. Renting from a housing association
3. Unfurnished private renting
4. Furnished private renting
5. Equity sharing/shared ownership
6. Rental purchase
7. Other
8. DK

--

IF YOU CONSIDERED PUBLIC RENTED HOUSING

29. a. Did you contact an area housing officer?

1. Yes  
2. No

--

b. Did you fill in an application form or attend an interview?

1. Yes  
2. No

--

c. Did you apply for a transfer, if previously in public rented housing?

1. Yes  
2. No

--

30. If yes to 29 b or c:

a. How many points did you have? (999 D.K.)

--	--	--

b. What type of house did you ask for?

1. Detached house
2. Semi-detached
3. Terraced
4. Tenement

5. Lower/Upper/4-in-a-block
6. Deck access
7. Multi-storey
8. Other
9. DK

☐

c. How many rooms did you want?

d. What area did you ask for?

--	--	--	--

e. Were you offered a house/flat? 1. Yes 2. No

f. How many offers did you receive

--	--	--	--

g. Where was the last offer you received?

--	--	--	--

h. What type of house was it?

- 1 Detached
- 2 Semi-detached
- 3 Terraced
- 4 Tenement
- 5 Lower/upper/4-in-a-block
- 6 Deck access
- 7 Multi-storey
- 8 Other
- 9 DK

☐

i. Why did you refuse the offers?

FULL REASON

--	--	--	--

31. IF YOU CONSIDERED PRIVATE RENTED HOUSING

Why did you not go ahead?

--	--	--	--

32. IF YOU CONSIDERED SHARED OWNERSHIP/EQUITY SHARING

a. Did you consider a specific scheme? 1. Yes 2. No

☐

b. If yes, which scheme?

Organisation \_\_\_\_\_

--	--	--	--

Location \_\_\_\_\_

--	--	--	--

c. Why did you not go ahead?

--	--	--	--

IF NEW HOUSE/FLAT(Q.33-35)

33. a. Did you consider buying any other new house? 1. Yes

2. No

☐

b. If yes, which area?

--	--	--	--

- c. If yes, did you
1. Look for adverts in papers
  2. Look in an estate agents
  3. Visit houses
  4. Place a bid
  5. Contact building soc./bank/  
Local Authority for a mortgage.
  6. Other.....

☐

d. If yes, why did you not go ahead?

--	--	--	--

34. a. Did you consider any older houses/flats to buy?

1. Yes 2. No

☐

b. If yes, which area?.....

--	--	--	--

- c. If yes, did you
1. Look for adverts in papers
  2. Look in an estate agent's
  3. Visit houses
  4. Place a bid
  5. Contact building Soc./bank/  
local authority for a mortgage.
  6. Other.....

☐

d. If yes, why did you not go ahead?

--	--	--	--

35.a.If new home, did you particularly want a new house/  
flat?

1. Yes 2. No

☐

b.If yes, please could you tell me why?

--	--	--	--

36. IF HOMESTEADING/IMPROVEMENT FOR SALE SCHEME

a. Did you consider buying any other houses/flats

1. Yes 2. No

☐

b. If yes, which area?

--	--	--	--

- c. If yes, did you
1. Look for adverts in the paper
  2. Look in an estate agent's
  3. Visit houses
  4. Place a bid
  5. Contact building soc./bank/  
Local Authority for a mortgage
  6. Other

☐



d. If yes, why did you not go ahead?

--	--	--	--

37. IF HOMESTEADING SCHEME

a. Did you particularly want a homesteading dwelling?

1. Yes 2. No

--

b. If yes, why?

--	--	--	--

38. IF IMPROVEMENT FOR SALE SCHEME

a. Did you particularly want an improved home?

1. Yes 2. No

--

b. If yes, why?

--	--	--	--

39. ASK ALL RESPONDENTS

Why did you choose this house?

--	--	--	--

D. AREA

40. a. Why did you move to this area? (Full reason)

--	--	--	--

b. Were any of the following important?

(code 1, if apply)

Nearer to work  
More accessible to shops  
More accessible to schools  
More accessible to recreation facilities  
Type of housing  
Price of housing  
To be nearer friends/relatives  
Used to live in the area  
Other.....



c. Did you particularly want to move to this area?

1. Yes 2. No

--

41. a. Did you consider any areas outside Glasgow?

1. Yes 2. No

--

b. If yes, which areas?

--	--	--	--

c. Why did you choose Glasgow?

--	--	--	--

42. Where do you do your main food shopping?

--	--	--	--

43. Do you usually do any of the following in your spare time?

2.No Yes: 3.Local 4.Elsewhere

Cinema  
Bingo  
Social club  
Pub  
Theatre or pantomime  
Disco or dance  
Swimming pool  
Indoor sport  
Outdoor sport  
Watch sport eg. football ground  
Church  
Library  
Cafe/restaurant  
Other (specify)


44. a. Do you use public transport? (underground,buses,trains)

- 1.Every day
- 2.Several times a week
- 3.Once a week
- 4.Once a month
- 5.Hardly ever
- 6.Never

☐

b. Are you satisfied with public transport?

- 1.Very satisfied
- 2.Fairly satisfied
- 3.Indifferent
- 4.Not very satisfied
- 5.Very satisfied
- 9.Don't know/never used

☐

45. a. Do any members of your household have private use of a car or light van?

1. Yes 2. No

☐

b. If yes to a., how many members of your household?

☐

c. If yes to a., how many vehicles does your household have?

☐

46. a. Are you satisfied with your home?

- 1.Very satisfied
- 2.Fairly satisfied
- 3.Indifferent
- 4.Fairly unsatisfied
- 5.Very unsatisfied

☐

46. b. What are the good things about this house?

(CODE: see list below, code 1. if apply)

c. What are the bad things about this house?

(CODE 1. if apply)

1. People/neighbours
2. Environment
3. Accessibility
4. Facilities of the house
5. Size of the house
6. Rates/costs
7. Other.....

b.

c.


47. a. Are you satisfied with this area?

1. Very satisfied
2. Fairly satisfied
3. Indifferent
4. Fairly unsatisfied
5. Very unsatisfied

--

b. What are the good things about this area?

(CODE: see list below, code 1. if apply)

c. What are the bad things about this area?

(Code 1. if apply)

1. People/neighbours
2. Environment
3. Accessibility
4. Facilities of the area
5. Rates/costs
6. Other.....


48. a. Do any of the following apply to this area?

b. If yes, do you see them as a problem?

- Not enough trees or green areas
- Vandalism or hooliganism
- Too much violence and crime
- Pavement and roads in poor condition
- Poor reputation of area
- People who make trouble
- Rubbish in streets and back courts
- Local people not caring about area
- Lack of interest by authorities in area
- Empty or derelict houses
- Waste ground
- Drab and decayed appearance
- Not enough things for teenagers to do
- Lack of facilities.....
- Other (specify)


CODE 2. No

3. Don't know

b. 4. Yes

5. No

6. Don't know

49. a. Do you think that this area is improving?

- 1. Yes
- 2. No
- 9. Don't know

☐

b. Do you think that house prices in this area are increasing:

- 1. less than the city as a whole
- 2. the same as the city as a whole
- 3. more than the city as a whole

☐

50. a. Are you thinking of moving?

- 1. Yes
- 2. No
- 3. Don't know

☐

b. If yes, why?

--	--	--	--

51. How long do you expect to remain in this house?

- 1. less than a year
- 2. one year to less than 2 years
- 3. 2 years to less than 3 years
- 4. 3 years to less than 5 years
- 5. 5 years or more

☐

52. If you move again,

a. Where would you move to?

--	--	--	--

b. What type of house?

- 1. Detached
- 2. Semi-detached
- 3. Terraced
- 4. Tenement
- 5. Lower/upper flat or 4-in-a-block
- 6. Deck access
- 7. Multi-storey
- 8. Other purpose built flat
- 9. Other

☐

c. What size of house?

- 1. Larger than this house
- 2. Same size
- 3. Smaller

☐

53. a. Would you buy your next home?

- 1. Yes
- 2. No
- 9. Don't know

☐

b. IF YES, why?

--	--	--	--

c. IF NO, why?

--	--	--	--

E. MORTGAGE, EMPLOYMENT AND INCOME

Finally, please would you answer a few questions about your mortgage and employment.

54. a. Do you have a mortgage

- 1. Yes
- 2. No
- 9. Don't know

☐

IF YES: (b. to g.)

b. Did you arrange it through the builder?

- 1. Yes
- 2. No
- 9. Don't know

☐

c. Is your mortgage from:

- 1. Building society
- 2. Bank
- 3. Local authority
- 4. Insurance company
- 5. Other
- 9. Don't know

☐

d. What type of mortgage is it?

- 1. Ordinary
- 2. Option
- 3. Endowment
- 4. Other
- 9. Don't know

☐

e. How much are the monthly repayments?

--	--	--	--	--

f. Did you have any problems getting a mortgage?

- 1. Yes
- 2. No
- 9. Don't know

☐

g. IF YES TO f., what were they?

- 1. Price of the house
- 2. Income
- 3. House condition
- 4. House location
- 5. Problems with the lending institution
- 6. Other.....

☐

55. Please would you tell me the employment status, occupation and place of work (specific address) of all the adults in this house (over 16).

Relationship to head of HH	Employment Status	Present or previous occupation	Place of work (address)
----------------------------	-------------------	--------------------------------	-------------------------

1.

2.

3.

4.

CODE

a. Employment Status

1. Full time
2. Part time
3. Seeking work
4. Retired
5. Permanently sick
6. Full time student
7. Non-working housewife
8. Other

b. Occupation

1. Professional
2. Employers and managers
3. Intermediate and junior non-manual
4. Skilled manual
5. Semi-skilled & personal service workers
6. Unskilled manual

c. Place of work

1. City centre
2. Local
3. Elsewhere in Glasgow
4. Outside Glasgow

	a	b	c
1			
2			
3			
4			
5			

56. Out of the following categories, which one shows how much the head of your household earns, before tax and other reductions?

(NAME A LETTER) CARD

--	--

57. Out of the following categories, which shows the household's total income, from all sources, before tax etc.?

(NAME A LETTER) CARD

--	--

A	01	K	11
B	02	L	12
C	03	M	13
D	04	N	14
E	05	O	15
F	06	P	16
G	07	Q	17
H	08	R	18
I	09	S	19
J	10	T	20
		U	21

Don't know 99  
Refused 88

Thank you very much for your help.

# Low Cost Home Ownership Survey Results

## APPENDIX - Total Sample 338

1. TYPE OF PROPERTY	No	%
Detached house/bungalow	4	1.2
Semi detached house/bungalow	39	11.5
Terraced house/bungalow	48	14.2
Tenement flat	59	17.5
Lower/Upper/4 in a block	46	13.6
Other purpose built flat	142	42.0
Total	338	100.0
2. HOUSE SIZE	No	%
Apartments : 1	5	1.5
2	124	36.7
3	168	49.7
4	36	10.7
5	5	1.5
Total	338	100.0
3. HOUSEHOLD SIZE	No	%
No of Persons in Household : 1	81	24.0
2	157	46.4
3	56	16.6
4	35	10.4
5	8	2.4
6	1	0.3
Total	338	100.0
4. HOUSEHOLD COMPOSITION	No	%
Single Person 16-29	27	8.0
Single Person 30-59	45	13.3
Single Person 60+	9	2.7
Couples without children aged 16-29	99	29.3
Couples without children at least one 30-59	44	13.0
Couples without children at least one 60+	6	1.8
Single parent family	6	1.8
Other families with children under 16	77	22.8
Families of three or more adults	20	5.9
Not known	5	1.5
Total	338	100.0

5. NEW HOUSEHOLDS		No	%
Yes		110	32.5
No		228	67.5
Total		338	100.0

6. PREVIOUS ADDRESS	NEW Household		CONTINUING Household
	Respondent	Partner	
Local Area	45 (40.9)	24 (29.2)	91 (39.9)
Other parts of Glasgow	32 (29.1)	31 (37.8)	75 (32.9)
Suburbs outside Glasgow	18 (16.3)	11 (13.4)	24 (10.5)
New Town	4 (3.6)	3 (3.6)	10 (4.4)
Elsewhere in Strathclyde	5 (4.5)	9 (10.9)	15 (6.5)
Outside Strathclyde	6 (5.4)	4 (4.8)	9 (3.9)
Not known			4 (1.7)
Total	110 (100.0)	82 (100.0)	228 (100.0)

7. PREVIOUS TENURE			
Council/SSHA	70 (63.6)	56 (68.3)	82 (35.9)
Housing Association			3 (1.3)
Rental Purchase			2 (0.9)
Private Rent	10 (9.1)		44 (19.3)
Owner Occupied - outright	5 (4.5)	1 (1.2)	18 (7.9)
Owner Occupied - mortgaged	24 (21.8)	22 (26.8)	71 (31.1)
Other	1 (0.9)	3 (3.6)	8 (3.5)
Total	110 (100.0)	82 (100.0)	228 (100.0)

8. AREA OF ORIGIN	Respondent		Partner	Total
Local area	94 (27.8)	67 (26.9)	161 (27.4)	
Other part of Glasgow	125 (37.0)	112 (44.9)	237 (40.4)	
Suburbs outside Glasgow	28 (8.3)	22 (8.8)	50 (8.5)	
New Town	5 (1.5)	2 (0.8)	7 (1.2)	
Elsewhere in Strathclyde	36 (10.7)	20 (8.0)	56 (9.5)	
Outside Strathclyde	50 (14.8)	26 (10.4)	76 (12.9)	
Total	338 (100.0)	249 (100.0)	587 (100.0)	

9. OTHER TENURE CONSIDERED (% of 338)		No	%
Yes :		75	22.2
Local Authority		65	19.2
Private Rented		9	2.7
Equity Sharing		1	0.3



10. REASON FOR REJECTING PRIVATE RENTED HOUSING	No	%
Rents too expensive	70	21.3
House type/quality	36	10.9
Area/neighbourhood	2	0.6
No financial return	55	16.7
Lack of freedom/do not own	17	5.2
Other	5	1.5
Did not consider/don't know	144	43.7
Total	329 (- 9)	100.0
11. REASON FOR REJECTING PUBLIC SECTOR HOUSING	No	%
Rents too expensive	40	14.6
House type/quality	32	11.7
Area/neighbourhood	15	5.5
Allocation system (points, waiting list)	43	15.7
No financial return	50	18.3
Lack of freedom/do not own	15	5.5
Other	3	1.1
Did not consider/don't know	75	27.5
Total	273 (-65)	100.0
12. OTHER NEW HOUSING CONSIDERED (excl. homesteading and improvement for sale)	No	%
Yes	153	54.6
No	127	45.4
Total	280	100.0
13. AREAS CONSIDERED - NEW HOUSING (% interviews of new housing 280)	No	%
Local	52	18.6
Inner Glasgow	86	30.7
Suburbs in Glasgow	62	22.1
Suburbs outside Glasgow	42	15.0
New Town	5	1.8
Elsewhere in Strathclyde	8	2.8
Outside Strathclyde	1	0.4

14. OLDER HOUSING CONSIDERED (exc. homesteading and imp. for sale sample)	No	%
Yes	135	48.2
No	145	51.8
Total	280	100.0
15. AREAS CONSIDERED - OLDER HOUSING (% of residents of new housing % sample - 280)	No	%
Local	64	22.9
Inner Glasgow	92	32.9
Suburbs in Glasgow	24	8.6
Suburbs outside Glasgow	15	5.3
New Town	1	0.3
Elsewhere in Strathclyde	2	0.7
Outside Strathclyde	1	0.3
16. REASON FOR REJECTING OLDER HOUSING	No	%
Accessibility	3	2.2
Environment	2	1.5
Rates/costs/maintenance	40	29.6
House type	14	10.4
House size	6	4.4
House price	46	34.1
Mortgage Difficulties	8	5.9
Other including bidding problems	16	11.8
Total	135	100.0
17. REASON FOR PREFERRING NEW HOUSING	No	%
NHBC guarantee	5	3.4
Few maintenance problems	99	67.3
Type of property	4	2.7
Better investment	5	3.4
Preference	10	6.8
Costs/heating	5	3.4
Other - bidding problems	19	12.9
mortgage problems with older housing		
Total	147	100.0
(no. who particularly wanted new housing)		

18. ATTITUDE TO AREA (% of total sample - 338)

	Good Things		Bad Things	
	No	%	No	%
People/neighbours	123	36.4	42	12.4
Environment	77	22.8	118	34.9
Accessibility	217	64.2	10	2.9
Facilities of area	117	34.6	53	15.7
Rates/costs	3	0.9	19	5.6
Other	7	2.1	31	9.2

19. ATTITUDE TO HOUSE (% of total sample - 338)

	Good Things		Bad Things	
	No	%	No	%
People/neighbours	76	22.5	10	2.9
Environment	28	8.3	33	9.7
Accessibility	63	18.6	1	0.3
Facility of house	210	62.1	44	13.0
Size of house	157	46.4	42	12.4
Rates/costs	61	18.0	39	11.5
Other - particularly finishing and quality of construction	10	2.9	91	26.9

20. REASON FOR MOVING

	No	%
Wanted to own own house	48	14.2
Financial	12	3.6
Marriage	74	21.9
Family change	13	3.9
Nearer friends/relatives	6	1.8
Income change	4	1.2
Job reason	31	9.2
Size of property	32	9.5
Type of property	32	9.5
Garage/parking space	1	0.3
Garden/better garden	8	2.4
Forced to move	7	2.1
To get away from previous housing	27	8.0
To move to a better neighbourhood	4	1.2
To be nearer amenities	1	0.3
Independence	26	7.7
Other	11	3.3
Don't know	1	0.3
Total	338	100.0

21. REASON FOR BUYING	No	%
Wanted to own own house	50	14.8
Financial	125	37.0
Price compared to rent	30	8.9
Type/quality of housing	15	4.4
Location/neighbourhood	12	3.6
Problems with rented allocation	45	13.3
Problems with rented quality	20	5.9
Never considered anything else	6	1.8
'Better' to buy	8	2.4
Already buying	17	5.0
Other	9	2.7
Don't know	1	0.3
Total	338	100.0
22. REASONS FOR FUTURE INTENTION TO MOVE	No	%
Larger house	58	38.7
Change in family size	21	14.0
Work reasons	19	12.7
Financial reasons	4	2.7
Better house	21	14.0
Better area	18	12.0
Different type of house	4	2.7
Other	5	3.3
Total	150	100.0
23. LOCATION OF NEXT MOVE	No	%
This area	60	17.8
Inner Glasgow	91	26.9
Suburbs in Glasgow	29	8.6
Suburbs outside Glasgow	37	10.9
New Town	4	1.2
Elsewhere in Strathclyde	23	6.8
Outside Strathclyde	24	7.1
Don't know	70	20.7
Total	338	100.0