

A Home of Your Own

**Policies for Housing
in England and Wales**

Policy Paper 23

Contents

	Page
Summary	3
1. The Liberal Democrat Approach	5
2. Tackling Homelessness	6
2.1 Rights for Homeless People	7
2.2 Preventing Homelessness	7
2.3 Dealing with Homelessness	8
3. Building for the Future	9
3.1 Investing in New Homes	10
3.2 Refurbishing Existing Homes	11
3.3 A Strategy for Tackling Mortgage Arrears	12
3.4 Promoting the Private Rented Sector	13
4. Housing and the Community	14
4.1 Devolving Decisions, Involving Tenants	14
4.2 Regenerating Communities	15
4.3 Access to Housing	15
4.4 The Role of Local Authorities	16

Summary

Liberal Democrats aim to ensure that every person has access to safe, affordable and high quality housing. We want to provide choice for all - for those who buy and for those who rent. Our approach would help people who want to buy their own home to realise their aspiration, but also ensure that there is high quality social housing available.

The proposals contained in this paper are not a comprehensive list of Liberal Democrat housing policies. Rather they build on long standing policy and, in particular, concentrate on housing finance, the role of housing in community development and homelessness.

Tackling Homelessness

The underlying causes of homelessness are rooted in the growth of poverty, inequality and disadvantage. However, the single most important factor is a serious lack of affordable housing. Our proposals to give local authorities greater freedom to invest in new social housing will go a long way in meeting housing need. At the same time, we would:

- *Take action to ensure that people do not lose their citizens' rights because of their homelessness.* We would guarantee homeless people the right to vote and access to daytime services such as health care. We would establish an entitlement to shelter, which local authorities would be obliged to meet, and repeal the Vagrancy Act which penalises homeless people for their homelessness.
- *Reduce overall levels of homelessness.* We would target support to those most at risk and expand education and employment opportunities to give people the skills they need to avoid homelessness.
- *Introduce an empty homes strategy* to utilise existing resources better by giving local authorities legal powers to bring into use any property left empty without reasonable cause for more than 12 months.
- *Provide homeless people with 'stop gap' accommodation and the support they need to get back on their feet.* This requires more short term accommodation, better information and advice and loans to cover rent deposits.

Building for the Future

Liberal Democrats aim to extend choice and flexibility in the housing market so people can decide on the housing that best suits their own needs. We would:

- *Invest in new social housing by giving local authorities greater financial autonomy over their spending.* We would remove 'capping' controls, phase the release of capital receipts from the past sales of council houses and reform the rules governing local

authority investment to allow them to go direct to the market to raise finance for capital projects. We would insist, however, that local authorities promote tenant participation and work in partnership with housing associations and private developers to encourage a diversity of provision - there would be no return to the mass housing estates and new towns of the 1960s and 70s.

- *Revitalise the private rented sector by promoting institutional and small scale investment.* We would also seek to improve conditions for tenants by requiring local authorities to establish voluntary registers of landlords and by giving financial incentives to landlords to carry out improvements in housing standards.
- *Work to create sustainable levels of home-ownership and bring back confidence in the housing market* by promoting stable interest rates through an operationally independent UK Reserve Bank.
- *Help people in mortgage arrears to keep their own homes.* We would encourage more flexible forms of tenure which allow people to move between renting and owning. We would also introduce a targeted Mortgage Benefit for those on low incomes or Income Support, funded by phasing out Mortgage Interest Tax Relief.

Housing and the Community

Liberal Democrats believe that people should exercise the maximum control possible over their own living accommodation. Traditionally this has meant home ownership, but there are many ways in which social housing tenants can also take control over the houses and estates they live in. We would:

- *Devolve decision making and involve tenants in housing management.* We propose a 'sliding scale of involvement' in which tenants can participate to the maximum that they wish to. This could range from annual consultation, to giving tenants powers to invoke a tendering process of housing services where there is majority support and right through to full local management of their homes and estate.
- *Involve the community in all regeneration projects.* We would create community-led Neighbourhood Development Foundations to develop brownfield, run down, inner city sites aimed at providing low cost multi-tenure housing and other community facilities.
- *Ensure that good quality housing is accessible to all.* We would ensure that local authorities and landlords recognise their obligations to equal opportunities in housing and tenancy succession.
- *Provide more effective means to deal with anti-social tenants,* including giving local authorities the power to use legal injunctions, establishing special housing courts, reviewing the procedures for the disclosure of evidence and using professional witnesses.

The Liberal Democrat Approach

1.0.1 Liberal Democrats aim to ensure that every person has access to safe, affordable, and high quality housing. It should be of a kind and in a place that suits each person's needs. A home is a hallmark of a civilised society and the passport to freedom and liberty. Someone homeless and sleeping on the streets may, in theory, be free to enjoy equality of opportunity. In practice, if a person turns up at a job interview in the clothes they have slept in, they enjoy no such thing.

1.0.2 The deterioration of Britain's housing stock over recent years has exposed the link between poor housing and other social problems. In the space of a few streets, job opportunities, house prices and educational expectations can change dramatically. More money is now spent each year on treating illness caused by poor housing than is spent by local authorities on their own housing stock.

"Our aim is to provide choice for all - for those who buy and for those who rent."

1.0.3 Since the Conservatives came to power in 1979, homelessness has more than doubled, social housing has deteriorated and the private rented sector has declined. Even the people the Tories supposedly set out to help - home owners - lost out in the end. One in five households fell into mortgage arrears in the 1990s. More than one million households are still caught in the negative equity trap. Every week more than one thousand families lose their home.

1.0.4 The Labour Party has failed to provide a credible alternative. Their policies have been

described as fiscally imprudent, a muddle, with policies borrowed from all over the place. An editorial appearing in *Inside Housing* concluded that: 'If Labour wants to find more money for housing, it should grasp the nettle of redirecting MIRAS. It should also reform the Treasury borrowing rules. It is clear this has wide support, not as a quick fix but as a door to long term investment.'

1.0.5 Liberal Democrats will invest in building new houses and refurbishing older homes. Our aim is to provide choice for all - for those who buy and for those who rent. We propose new ways of improving the quality of housing and higher standards for house building. We advocate measures to protect the environment by promoting energy conservation and more efficient use of land. Our approach would help people who want to buy their own home to realise their aspiration, but also ensure that there is high quality social housing available. We want to create sustainable home ownership and extend choice and quality for those in other tenures. Our record in local government demonstrates that we are innovative and effective in the policies we pursue. Liberal Democrat councils have led the way in promoting tenant participation schemes and new consumer led approaches to repair and maintenance services.

1.0.6 This paper is not a comprehensive housing policy. Rather, it complements the Party's existing proposals contained in English Green Paper 6, *A Place to Live* (1993). In particular it builds on three themes developed in that earlier paper. First, it outlines a strategy for tackling homelessness. Second, it sets out how Liberal Democrats would make the necessary investment in housing and reform the state support system, treating all tenures equitably. Third, it addresses the central role of housing policy in community development.

Tackling Homelessness

2.0.1 Liberal Democrats believe that all people should have a roof over their head and be entitled to safe, secure and permanent accommodation. This principle was at the heart of Liberal MP Stephen Ross's 1977 Homeless Persons Act. This was a humane and decent measure. Even Mrs Thatcher's government, having reviewed it, left it in place. But not this Government. The 1996 Housing Act will remove local authorities' statutory obligation to house homeless people.

2.0.2 Over the past 10 years well over a million households have been registered as homeless by local authorities. In 1994 alone, more than 365,000 people were accepted as homeless by local authorities. Half of them were children. However, these figures conceal the true extent of the problem. They don't, for example, include those people most would think of as being homeless, i.e. the people living on the street. *Shelter* estimates that there are an additional 45,000 people in London alone living in hostels, bed and breakfasts, sleeping rough or squatting. When Liberal Democrats talk of homeless people, we mean everybody who doesn't have access to decent, safe and secure accommodation that is adequate for their needs.

2.0.3 Homelessness not only denies people a home: it can deny them their vote, benefit entitlements and their chances of getting a job. It can separate them from their family and friends and damage their health. Compared to the general population, chronic chest or breathing problems are twice as high among people living in hostels and three times as high among people sleeping rough. Alarming numbers of young homeless people are now ending up in psychiatric hospitals.

2.0.4 Homelessness also impacts on the wider community. Squatting, for example, is mainly caused by homelessness and the only way to tackle the problem effectively is to tackle homelessness. The government's 1994 Criminal Justice and

Public Order Bill effectively criminalised squatting in residential property. The most effective way to deal with squatting is to remove the need to squat by reducing the number of empty properties and by increasing the supply of social housing. (See English Green Paper 6, *A Place to Live* (1993) for more details).

2.0.5 The underlying causes of homelessness are rooted in the growth of poverty, inequality and disadvantage. However, the single most important factor underlying our present homelessness crisis is the serious lack of affordable housing. The demand for housing is growing. Today, more young people are getting a place of their own. Increased divorce rates and a decline in the numbers of people living with partners have all contributed to the need for more housing. The community care reforms of the early 1990s led to an increase in the number of people discharged from institutions into the community. This has improved the quality of life for many people, but inadequate funding and the lack of support for others has left many in poor accommodation or, in some more extreme cases, on the street.

2.0.6 Homelessness is not acceptable in a relatively rich and industrial society such as Britain. By working constructively and imaginatively with local authorities and voluntary organisations, the Government can tackle the homeless crisis. Liberal Democrats would:

- Take immediate action to ensure that homeless people do not lose their basic rights as citizens because of their homelessness.
- Introduce long term policies that would reduce overall levels of homelessness and the likelihood of it occurring.
- Introduce measures that provide support to homeless people and to help them get back on their feet.

2.1 Rights for Homeless People

2.1.1 Homeless people are usually excluded from society and do not have access to some of the basic rights that all citizens should enjoy. Liberal Democrats would:

- Establish an entitlement to shelter, giving local authorities a statutory obligation to offer shelter to every homeless person. We would expect local authorities in their allocations policy to balance the needs of homeless households and those waiting to move from overcrowded or unsuitable accommodation.
- Secure the right to vote and stand for election. We would amend the Representation of the People Act 1993 to ensure that all homeless people have the right to vote. In the interim we believe that clear guidance should be issued by the Home Office to electoral registration officers to facilitate the consistent registration of all homeless people. The current rules on registration addresses could be relaxed and care agencies and day centres encouraged to provide homeless people with postal addresses.
- Ensure homeless people have access to daytime services such as health care, washing facilities, facilities for the preparation of food and other public services.
- Establish local appeals procedures and the right to appeal against a local authority that rejects a homeless application.
- Repeal the Vagrancy Act that penalises homeless people for their homelessness.
- Give 16 and 17 year olds the right to hold a tenancy.

2.2 Preventing Homelessness

2.2.1 The long term task for Liberal Democrats must be to prevent homelessness from occurring. Inevitably this requires providing more homes.

This is dealt with in section 3.1. It means utilising resources better and giving people the skills and jobs they need to be self reliant. It also requires support to be targeted to those most at risk of homelessness by:

- Improving community care services for people with mental health difficulties. The need for 24 hour support services is currently not being met. There is an incentive for hospital trusts to sell off their institutions as they do not pick up the costs for community care. Our proposals to bring health authorities and social services departments closer together would help achieve a seamless provision of care. (See Policy Paper 1, *A Caring Society* (1994) and Policy Paper 14, *Building on the Best of the NHS* (1995) for more details.)
- Ensuring adequate provision of secure refuges for victims of abuse and domestic violence.
- Ensuring a multi-agency approach to providing support for asylum seekers, including the provision of housing and welfare rights.

2.2.2 It has already been established how housing is interwoven with other areas of social policy. Our over-riding aim in all areas of social policy is to help people to help themselves, rather than providing directly for them. We seek to enable people to gain the skills they need to become self-reliant and avoid homelessness. We would:

- Expand employment prospects, including the introduction of a benefit transfer programme in which welfare benefits are transferred to employers to take on the long-term unemployed.
- Guarantee all 16-19 year olds the equivalent of at least two days a week in off the job education or training.
- Establish purpose built 'foyers' in partnership with voluntary organisations, based on the existing French network of *foyers pour jeunes travailleurs* (hostels for young workers). These combine accommodation with training to tackle the dual problems of youth unemployment and homelessness.

- Support Self Build Programmes - in which homeless people, and others, can help in the building of new housing. This keeps costs down and gives people a stake in (the ownership of) the scheme.
- Establish a voluntary Citizen's Service to give people, especially young people, the opportunity of one or two years' community service including housing renovation or other voluntary work.

Empty Homes Strategy

2.2.3 The need to utilise existing housing resources better is demonstrated by the fact that over 830,000 homes in England and Wales are empty. Government departments, most notably the Ministry of Defence, are among the worst offenders, with 15 per cent (15,800) of their properties empty. Liberal Democrats would give local authorities legal powers to bring into use any property left empty without reasonable cause for more than 12 months. We would develop a simplified grant application system that enables local authorities and housing associations to work with private landlords to bring suitable empty homes into use.

2.2.4 Other buildings are also often under-utilised. It is estimated, for example, that up to 20,000 new flats could be created in London alone by converting suitable offices into flats. We would target resources to enable local authorities to take the lead in converting buildings such as offices and rooms above shops into acceptable living accommodation.

2.3 Dealing with Homelessness

2.3.1 The Government has recognised the need for short term crisis accommodation by providing some emergency shelters in the event of severe weather conditions. While this action is welcome, it falls far short of meeting the real need. Voluntary organisations have tried to fill the gap. The charity *Crisis*, for example, provides shelter for 1,800 homeless people each year and other

voluntary groups are active in towns and cities throughout the country.

2.3.2 Liberal Democrats believe that local authorities are best placed to co-ordinate the activities of agencies dealing with the problems of homelessness. They have a good understanding of local needs and circumstances. Many local authorities have developed innovative policies and initiatives with the voluntary sector. Nevertheless, the Government must do more to support local authorities and give them the freedom to develop policies that are relevant to their area. Liberal Democrats would ensure that local authorities have the resources to:

- Provide more short stay hostel places - although this must only be considered a 'stop gap' measure.
- Provide homeless people with comprehensive information on housing and other related issues such as health and employment, including the funding of independent advice bodies such as Citizens Advice Bureaux.
- Minimise the use of bed and breakfast provision as a form of temporary accommodation.

2.3.3 The existing housing benefit system has been hugely expensive and failed to tackle the problems of homelessness. The overall budget has soared from £4 billion to £12 billion over the last ten years, caused by government policy of increasing rents in both the public and private rented sectors. Yet many people have been disenfranchised of their housing benefit rights and have fallen through the safety net. Liberal Democrats would:

- Restore the right to full Housing Benefit and Income Support for all adults over 16. We would end the discrimination against those under 25. They receive a lower level of income support and their housing benefit is limited to the average rent for shared accommodation.
- Reintroduce loans to cover rent deposits, and restore the payment of housing benefit in advance.

Building for the Future

3.0.1 Liberal Democrats aim to extend choice and flexibility in the housing market so people can decide on the housing that best suits their needs. We want to provide more houses and improve the quality of the existing stock. We believe that both home owners and tenants deserve a better deal. Our aim is to:

- **Invest in quality new homes to provide for housing needs and stimulate economic activity.**
- **Refurbish existing homes to bring them up to an acceptable level.**
- **Introduce a programme of initiatives to encourage mortgage lenders to support people in mortgage arrears and negative equity, bringing back confidence in the housing market.**
- **Promote the private rented sector to provide greater overall choice and flexibility in the housing market.**

3.0.2 The Government's housing policy in the 1980s was a major economic and social failure. It ignored the needs of tenants in both the private and public rented sectors and put its entire effort into stimulating home ownership. Liberal Democrats want to encourage home ownership and recognise the security and freedom that owning a home brings to many people. However, the Government pushed it to unsustainable levels. They encouraged many households to buy when in reality they were unable to afford to do so. The extra demand it placed on borrowing contributed to the unsustainable rates of economic growth that forced interest rates up, causing the recession in the late 1980s. As a consequence, house prices plummeted. By 1995, they were still about 7 per cent below their 1989 levels and well over one million households were still affected by negative equity. More seriously, one in five home-buyers fell into mortgage arrears in the early 1990s. A third of a million households lost their home.

3.0.3 As the level of home ownership increased through the 1980s, the private rented sector declined from what was already a low base. It declined at a faster rate during the Thatcher years than at any other time this century. This pushed up rents to record levels. In a bid to reduce public expenditure, the Government pushed up rents in the social housing sector. They are now approaching market rent levels in some areas of Britain. However, instead of bringing the expected savings, higher rents have increased dependency on housing benefit leading to a deepening of the poverty trap and higher costs for the Treasury.

3.0.4 At the same time, capital investment in housing has fallen. New housing investment in the 1990s has been the lowest for any five-year period since the Second World War and is far less than in other major economies. New housing shortages have intensified the owner-occupied market's boom/bust cycle. As a consequence, the UK has more volatile house building cycles than most other European countries.

3.0.5 The Government has been forced into a series of embarrassing U-turns and its current policy is in total disarray. The Conservatives attacked the Liberal Democrats for proposing to replace Mortgage Interest Tax Relief with a Mortgage Benefit to those who need it most, but are now quietly phasing it out themselves. They slashed investment into social housing causing the housing benefit bill to soar. They panicked about the high levels of housing benefit and the inflationary effect of high rents and have reversed their policies in an attempt to stimulate the private rented sector. The Government's continued failure to invest in social housing is creating serious shortages in housing for low income groups.

3.0.6 Liberal Democrats recognise the importance of housing policy to the overall economy. Without a flexible housing market, there cannot be a flexible or mobile labour market in which people can move on to new jobs. Our economic policies are set out in Policy Paper 16,

Investment, Partnership, Sustainability (1995). We aim to revitalise the British economy through a range of measures including increased public and private investment, decentralised economic power and greater competition to stimulate innovation. These goals are central in our approach to housing policy. We propose to replace the present Bank of England with an operationally independent UK Reserve Bank. It would be charged with achieving price stability thereby bringing down interest rates and enabling mortgage holders and housing investors to plan ahead for the long term.

3.1 Investing in New Homes

3.1.1 The need for more social housing is widely recognised. According to most estimates, including those of the Government, up to 100,000 social homes are needed every year for the foreseeable future. Currently only around half that are being provided. We believe that more investment is needed in social housing - above all to relieve the misery that inadequate housing brings. Our ultimate aim is to meet the upper end of the 100,000 target. We would achieve this by giving local authorities greater financial autonomy over their spending.

3.1.2 We do not, however, want to see a return to the building of huge council housing estates of the 1960s and 70s. We seek a diversity of provision of social housing. This requires local authorities to work in partnership with private companies and housing associations. It requires small scale and mixed tenure developments. Tenants should be encouraged to participate to the maximum that they wish.

3.1.3 There are two good justifications for allowing local authorities to borrow to invest in housing. The first is that the benefits of housing investment span over a number of generations. The second is where it can be shown to yield an economic return. Many local authorities at present are paying significant sums to house homeless families in temporary accommodation. Building new homes and housing people in permanent accommodation will reduce such wasteful expenditure and improve the quality of life.

3.1.4 We would give local authorities greater freedom to invest in new social houses to meet local housing need by:

- *Removing ‘capping’ controls, restoring to local authorities genuine accountability for both the raising and spending of finance.* We recognise that in the past some local authorities have acted illegally and abused their powers, notably Tory Westminster with its ‘homes for votes’ scandal. Therefore, the current restrictions on local authorities would only be lifted once our proposals for improving the democratic accountability of local government were implemented. (See English Green Paper 5, *Shaping Tomorrow’s Local Democracy* (1991) for more details).
- *Phasing the release of capital receipts from the past sales of council houses to fund capital investment in housing.* We would also allow councils to use their new receipts when they become available. The Chartered Institute for Housing estimates that councils across the UK could double their investment programmes over four years if receipts, estimated to be worth more than £4 billion from past sales alone, were released. However, we recognise that capital receipts are often not in the places where the money is most needed and that it is not possible to release all of the receipts immediately because of the economic impact on the housebuilding industry. Therefore, we would give early priority to releasing capital receipts in those areas with severe housing needs. Further resources could be targeted to those areas with greatest need by reflecting the availability of capital receipts in the Government’s Housing Investment Programme (HIP). In areas where there is little need for additional public sector investment, local authorities could leave their receipts unspent.
- *Reforming the rules governing local authority investment to allow them to go direct to the market to raise finance for capital projects.* The limits on borrowing which central government places on local authorities do not allow for sensible decisions on investment. We would re-focus attention away from the Public Sector Borrowing Requirement towards the

General Government Financial Deficit as the main measure of government borrowing, bringing the UK in line with accepted international government accounting standards. We would separate capital spending from current spending in the public expenditure accounts. Local authorities could then set up a local housing corporation or quasi-corporation wholly owned by the local authority to manage the housing stock, able to raise commercial loans and attract equity investment. Borrowing and the guidelines for borrowing would need to be carefully monitored by a Local Authority Debt Management Agency.

3.1.5 Over the last fifteen years there has been a substantial shift in the balance of government support to housing away from ‘bricks and mortar’ to ‘personal’ subsidies. This resulted in higher rents in the social housing sector but provided no net public expenditure savings for the Treasury as higher rents have led directly to increased housing benefit costs. This has subsequently extended the housing benefit poverty trap higher up the income scale, further eroding incentives for tenants to undertake low paid work. Furthermore, fewer houses have been built. We would therefore work to move more resources into ‘bricks and mortar’ investment rather than benefit subsidies. Liberal Democrat policies for reforming housing benefit are set out in Policy Paper 7, *Opportunity and Independence for All* (1994).

3.1.6 The right to buy scheme has been one of the most prominent housing policies over the last 17 years, giving council tenants the chance to buy their own home. This has now been extended to cover housing association tenants. We recognise the benefits that owning a home can bring but also the role of social housing in supporting those in need. We would therefore reform the right to buy scheme to reflect these two concerns. First, we would enable tenants (who do not wish to or are unable to purchase all of the property) to purchase a portion of their home - similar to our proposals for flexible tenure schemes. Second, we would extend the right to buy rules that apply to housing associations to all social housing providers. Currently, housing associations can recycle capital receipts, local authorities cannot.

3.1.7 Where a house has been sold under the right to buy, we suggest that the social housing authority should have the first right to buy back the property when it is sold on. There are some instances where certain categories of social housing should be ‘exempt’ from the right to buy scheme where there is proven housing need. For example, for future building, if planning permission for development is dependant on the land being used for low cost rented homes, then those homes would be exempt from the right to buy for a fixed period, say 50 years.

3.1.8 All new homes and refurbishments should be designed so that they are flexible enough to meet the needs of most households with the minimum of adaptation. Increasingly, the principles of ‘lifetime homes’ are being adopted when new houses are being built. We welcome this and would support the principles of ‘lifetime homes’ to be used more widely.

3.1.9 Without strict controls, the building of new houses can damage the environment in a number of ways. We would therefore seek to develop the majority of new housing on brownfield sites or by refurbishing older and larger buildings to meet the needs of modern and smaller households. Our proposal for a new Greenfield Development Tax would help discourage out-of-town developments and encourage development and housing density on derelict sites. (See English Green Paper 7, *Planning for Sustainability* (1993)).

3.2. Refurbishing Existing Homes

3.2.1 Over four million people live in houses classified as unfit for human habitation. Eight million households in Britain cannot afford to heat their homes adequately in winter. Liberal Democrats would revise the 1995 Building Regulations to improve the standards of newly built homes, to increase energy efficiency and accessibility. There are many examples of houses built to far higher standards at little or no extra cost.

3.2.2 With a million properties in serious disrepair across every housing sector, it is clearly essential to take immediate steps to encourage renovation. Furthermore, the standard of house repairs is often second-rate. To improve standards and raise quality, Liberal Democrats would:

- Make the current power of councils to take action on unfit private housing a legal obligation to ensure that minimum standards are met.
- Require councils to monitor housing associations in their area to ensure that they are complying with the Housing Corporation guidelines and maintaining their properties to a fit standard.
- Encourage the voluntary licensing of building firms to improve repair and maintenance standards.
- Introduce measures to improve energy conservation in existing houses. We would provide direct subsidies for energy conservation investments for those unable to afford them. (See Policy Paper 22, *Conserving Tomorrow* (1996) for further details). As Diana Maddock's Home Energy Conservation Act is implemented, every local authority will obtain a picture of the energy conservation needs of all homes in its area. We will encourage local authorities to mount comprehensive energy conservation programmes in areas of highest need.

3.2.3 By 2006 there will be over 7 million households headed by a person over retirement age and more than 5 million will be home owners. The majority of older home-owners wish to remain in their existing houses, but many have problems meeting the costs of adaptations, renovations and home care. There are, at present, a number of private sector commercial equity release schemes in operation but the take up of such schemes is small partly because of adverse publicity and also because, in general, only those living in higher value properties can benefit. However, take-up might be increased if re-packaged with technical assistance and advice on long term care. Liberal Democrats would encourage a partnership between

the financial institutions and the not-for-profit organisations to develop integrated equity release, and housing and care schemes.

3.3 A Strategy for Tackling Mortgage Arrears

3.3.1 Home ownership has given many people a sense of security and greater freedom. However, many families that bought their own home in the 1980s have run into mortgage repayment difficulties. A quarter of a million households are in long-term mortgage arrears and thousands of homes have been repossessed in the last few years. Repossessions are still running at an unacceptably high level. Liberal Democrats aim to create sustainable home ownership. For those households finding it difficult to meet repayments, we would look to provide support and a more flexible system to ensure that they don't lose their home. We would:

- *Introduce a targeted Mortgage Benefit for those on low incomes.* The Mortgage Benefit would provide 100% assistance with mortgage interest (subject to a ceiling) for home-owning families on Income Support and others on similarly low incomes. We would pay for it by phasing out Mortgage Interest Tax Relief (MITR). MITR is unrelated to need. It puts pressure on those who would prefer to rent than to buy. It distorts the market. It raises house prices. It is expensive. It is neither fair nor progressive. Under our proposals for a Mortgage Benefit, those mortgage holders in the greatest need would receive more support than they do at present from MITR. This would reduce the number of households evicted as a consequence of repayment difficulties and save taxpayers the money that would otherwise be spent on re-housing these people. (See Policy Paper 7, *Opportunity and Independence For All* (1994) for more details).
- *Promote flexible forms of tenure to allow people to move between renting and owning without losing their home.* Dogmatic adherence to a particular tenure should be a thing of the past. Through active promotion of flexible tenures we want to assist Banks and

Building Societies to tackle the problem of mortgage arrears without forcing families into homelessness.

3.4 Promoting the Private Rented Sector

3.4.1 The private rented sector is essential if we are to provide accommodation for those people who wish to avoid the burden of ownership. For students, young people, and job seekers who are moving around to find the best opportunities; or for those households that feel they are not quite ready for buying a home as yet, the private rented sector is their first and usually only alternative. We want to provide greater choice in the private rented sector so people can choose housing that is suitable for their own needs.

“Under our proposals for a Mortgage Benefit, those mortgage holders in the greatest need would receive more support than they do at present from MITR.”

3.4.2 The private rented sector declined in the 1980s to a record low. Private renting has picked up slightly in recent years due to the sluggish state of the home owner market. This growth was almost entirely the result of increases in the number of lettings by private individual landlords. Institutional investment in private rented accommodation is still critically low when compared to other countries. The recent expansion in the private rented sector has now slowed to a trickle. We aim to rejuvenate it by:

- Promoting institutional investment in privately rented housing. Liberal Democrat economic policies would provide the stability for companies to invest for the long term. (See Policy Paper 16, *Investment, Partnership, Sustainability* (1995)).
- Allowing home owners letting their main residence while working and temporarily living elsewhere to offset rent received against rent paid for income tax purposes.
- Establishing a clear and easily accessible framework for dealing with the non-payment of rent by tenants.

3.4.3 While we would like to see the expansion of the private rented sector, we are wary that there are a few private landlords who provide housing that is in appalling conditions. Liberal Democrats would seek to improve conditions for tenants in the private rented sector by:

- Requiring local authorities to establish voluntary registers of landlords and give financial incentives to registered landlords who carry out improvements in housing standards.
- Giving local authorities a legal duty to enforce minimum standards in houses in multiple occupation, using a compulsory licensing scheme.
- Encouraging custodial deposit schemes, where rent deposits are held by a central body independent of both landlord and tenant. The interest on the deposits could help fund our loans for people who cannot afford to pay deposits themselves.

Housing and the Community

4.0.1 Liberal Democrats believe in a community and participatory approach to politics. In housing, we believe that residents should exercise the maximum control over their own living accommodation as possible. Traditionally, that has assumed home ownership but there are many ways in which tenants can also take control over the houses and estates they live in.

4.0.2 Many communities, particularly the huge council estates in the old industrial centres and inner cities, are caught in a spiral of low income, unemployment and poverty placing a heavy burden on welfare services. Anti-social behaviour and crime are ingrained, and on some estates the police have lost control. Community facilities, such as schools and health services are run down and vandalised. Rubbish and general neglect are widespread and the estates suffer from terrible reputations. Involvement in public life, local community groups and voluntary work is minimal.

4.0.3 The polarisation between deprived and affluent neighbourhoods has increased over the last 15 years, partly as a result of Government policies. The Tenant Incentive Scheme and the similar local authority Cash Incentive Scheme, for example, which give cash incentives to social housing tenants to purchase property elsewhere has, in some instances, artificially quickened the process where the more affluent tenants move out of social housing estates. They are often replaced by households who require greater support from the social care agencies. Wider social and economic pressures have pushed the most disadvantaged to the most marginal areas. While communities can cope with gradual change, an exodus creates huge social instability. Liberal Democrats would scrap the national Tenant and Cash Incentive Schemes and channel the savings to local authorities to fund housing projects as they see appropriate.

4.0.4 Many council tenants have little choice about where they live and even less control over the homes and neighbourhoods in which they live. Liberal Democrats believe in a ‘holistic’ approach to the regeneration of deprived areas. It is not possible to tackle problems of housing decay without addressing the wider social issues of poverty, unemployment and the lack of education and training. We want to support people and communities in solving their own problems. We seek to:

- Devolve decision-making and involve tenants in housing management.
- Involve the community in all regeneration projects.
- Ensure that good quality housing is accessible to all.

4.1 Devolving Decisions, Involving Tenants

4.1.1 Liberal Democrats are committed to involving tenants in decision making. For those in social housing we propose a ‘*sliding scale of involvement*’ in which residents can participate to the maximum that they wish. We would:

- Maintain the statutory duty on all social housing providers to make available information to tenants, on an annual basis, relating to the management of their homes and estates. Literature should be available in minority languages.
- Instigate a publicity programme, using plain and simple language, to ensure that tenants are aware of council powers and obligations.

- Give tenants in the social housing sector the right to invoke a tendering process for housing services where there is majority support.
- Promote diverse and flexible forms of tenant participation - from properly constituted tenant associations to tenant controlled housing associations. We would allow tenants the right to form themselves into any appropriate body to undertake functions that could range from annual consultation right through to full management of the estate.
- Encourage local housing management - in which decision making is devolved to a tenants management committee. Research shows that large housing estates are better run from a local base with local management. It leads to a reduction in empty properties and rent arrears, a far cleaner and more pleasant environment, and significant improvements in the speed and quality of repairs.
- Promote Estate Agreements in which tenants are involved and consulted over wider community aspects than just housing and estate management. These could include, for example, greater liaison with the police over community crime prevention strategies, or agreements over the use of community facilities such as schools.

4.2 Regenerating Communities

4.2.1 Liberal Democrats want to develop strong communities, in which people can feel safe and secure in their homes and their surroundings. We aim to reverse the recent trends of ghettoisation and would want a wider social mix of housing in each community. In urban areas for example, we need to encourage the development of 'urban villages' with a good mix of housing in each area. Rural areas have particular characteristics and problems such as how to maintain vital community services and provide homes for young people in the face of a growth in second home owners.

4.2.2 The Government's regeneration programmes, whether they are urban or rural, have

often ignored the housing and wider needs of local communities. The Urban Development Corporations that were charged with regenerating some of our most run down inner city areas have often failed to provide jobs and homes for the local community. Liberal Democrat policies for improving the quality of life in urban areas are set out in Policy Paper 2, *Reclaiming the City* (1994) and rural areas are dealt with in Policy Paper 5, *Reclaiming the Countryside* (1994). Housing must be central to all community regeneration projects. We would:

- Give local councils greater powers to co-ordinate a multi-agency approach to community regeneration projects in which problems of housing decay can be addressed alongside wider social and economic problems such as unemployment and poor education.
- Create Neighbourhood Development Foundations - community-led development on brownfield run down inner city sites aimed at providing low cost multi-tenure housing and other community facilities.
- Establish 'social housing' as a new Use Class in the planning process (as explained in English Green Paper 7, *Planning for Sustainability* (1993)). The planning system can also be used to minimise the need for people to make journeys by encouraging mixed use developments.

4.3 Access to Housing

4.3.1 Choice in housing must extend to all sections of the community. Discrimination on whatever ground cannot be tolerated. Liberal Democrats reiterate here our fundamental opposition to discrimination and support for anti-discrimination legislation. We aim to promote equality of opportunity in housing, as in all walks of life. We would:

- Ensure that local authorities and landlords recognise their obligations to equal opportunities in housing and tenancy succession.

- Require accommodation agencies to adopt equal opportunities policies and ensure that they do not discriminate in the provision of accommodation.
- Require local authorities to take legal action against the perpetrators of all kinds of harassment.
- Fund independent advice centres to support those who suffer from harassment.
- Repeal section 80 of the 1994 Criminal Justice and Public Order Act relating to gypsy sites. We would reintroduce the responsibility on local authorities to provide adequate sites for gypsies and others with nomadic lifestyles.

4.3.2 Some groups will have specific housing needs. We want people to live as independently as possible and will support people to live in ordinary self-contained accommodation. People who live in sheltered settings have usually had little opportunities to develop the skills of money management and running a household. Recent community care legislation has not improved local housing provision for people with special needs. Liberal Democrats would:

- Meet the needs of people in community care by resourcing flexible systems of housing and support.
- Provide support and encouragement for specialist housing associations.
- Encourage local authorities to consider social factors in its allocation policies such as the location of schools when re-housing households with children.
- Promote a multi agency approach to care in the community by involving social services departments and voluntary organisations to ensure that care is maintained for people after they have been successfully rehoused.
- Support local self-advocacy groups to give people, especially those with learning difficulties, more say over their housing needs, including the chance to buy a home.

4.4 The Role of Local Authorities

4.4.1 Liberal Democrats believe in devolving responsibility and democratic authority to the lowest appropriate level. With a devolved political structure, local authorities will inevitably have an important role in providing both a strategic overview and in providing housing services including social housing itself. However, their role has been undermined by Government in recent years with policies such as Compulsory Competitive Tendering (CCT). Liberal Democrats are not against the use of the private sector, however we do not believe that the blanket imposition by central Government will always provide the most appropriate means for delivering services in each local area. Hence, we would remove the compulsory element of CCT and repeal the over-prescriptive regulations on tendering.

“We propose a ‘sliding scale of involvement’ in which tenants can participate to the maximum that they wish.”

4.4.2 The priority for Liberal Democrats is that services are of a high quality and that tenants’ choice in these matters is extended and preserved through democratic ballots. Indeed, we believe that tenants, not central government, should have the right to invoke a competitive tendering process where this has majority support. Local authorities have an important role in developing the differing models of Tenant Management Organisations. Liberal Democrats believe that the involvement of tenants in the management of their own housing (see section 4.1) brings enormous social and economic benefits. We welcome the use of local tenant referendums, for example, to set local rents and to determine the level and standard of housing services.

4.4.3 Liberal Democrats would reinforce the role of local authorities in developing a strategic overview for housing provision in their area. This combines their role as planning authority and provider of public housing. We would enhance the

duty which already exists on all local authorities to produce an annual housing strategy by making it more comprehensive and subject to greater consultation than takes place at the moment.

4.4.4 Many areas of social housing suffer from urban blight and anti-social behaviour. When this happens, it makes little sense to evict the family responsible and take the children into care and possibly raise another generation of potentially dysfunctional families. Equally it is unacceptable for such a family's neighbours not to enjoy a safe and peaceful home. Liberal Democrats believe that local authorities need additional powers to deal with anti-social tenants but we believe that there is no convincing evidence to suggest that the Government's policy for probationary tenancies will effectively tackle the problem. We would

promote a multi-agency approach to dealing with such problems, but the bottom line remains that the perpetrators, and not the victims, should suffer the consequences of their behaviour. We propose to:

- Establish housing courts to speed up the procedures for dealing with matters such as these.
- Review the procedures for the disclosure of evidence in such cases with the aim of encouraging witnesses to come forward and to assist with the use of evidence from professional witnesses.
- Give local authorities the power to use legal injunctions to deal with disruptive and 'noisy' neighbour problems.

This Paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Party in England and Wales.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

Working Group on Housing Policy

Susan Fenwick (Chair)
Robert Aldridge
Rose Colley
Bob Goodhall
Baroness Hamwee
Susan Heinrich
Steve Hitchens
Richard Kemp
Andrew Ketteringham
John Larkins
Diana Maddock MP

Andrew Meadowcroft
John Medway
Chris Pryce
Maureen Robinson
John Shaw
Jane Schopflin
Sue Sutherland
Roman Znajek
Staff:
George Crozier
Wyn Evans

Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every section or every proposal in this Paper.

Comments on the paper are welcome and should be addressed to:

Susan Fenwick c/o Policy Unit, Liberal Democrats, 4 Cowley Street, London SW1P 3NB.

Policy Paper No 23

ISBN No: 1 85187 319 8

© August 1996

Further copies of this booklet may be obtained, price £3.00, from Liberal Democrat Publications Limited, 8 Fordington Green, Dorchester, Dorset, DT1 1GB. Please add 20% for postage and packing. Telephone orders are welcome from ACCESS and VISA cardholders: tel. (01305) 264646.

Published on behalf of the Liberal Democrats, 4 Cowley Street, London, SW1P 3NB, by Liberal Democrat Publications Limited.

Layout and design by Mike Cooper, 25 Orchard Road, Sutton, SM1 2QA. Tel: 0181 643 2964.

Printed by T.J. Offset Ltd., The Mead Business Centre, Mead Lane, Hertford, Hertfordshire, SG13 7BJ. Tel. 01992 504438