More than bricks and mortar? The shape of housing management in Britain

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More than Bricks and Mortar? The Shape of Housing Management in Britain

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Abstract

The debate about the nature and purpose of housing management in Britain has shown frequent tensions between a narrow, property-based approach and a broader, welfare approach. This article assesses the factors influencing the debate, particularly those relating to recent social developments and government policy changes.

The article looks at the responses of the housing profession to these pressures and the way that the profession has sought to develop initiatives of its own that address the need for a more broadly based approach. The conclusion is that, although important, these initiatives are not a sufficient basis for effective management unless major questions are addressed by the government. These questions include residualization of social housing, the government's current approach to the public sector generally, and, most important, the levels of investment in the housing stock.

Keywords: Low-income housing; Management; United Kingdom

Introduction

> The Commission foresees very considerable problems in inner London. The South Side of Chicago and Harlem and the Bronx in New York provide a foretaste of the future that is in store unless action is taken to redress the underlying problems: high welfare dependency and generation intervals of 15 years or less; youth unemployment of 70% or more; extremely high crime rates, much of it drug-related; uneasy relations between the police and a disaffected and largely unemployable urban "underclass" with no stake in the development of the society in which they live. (Audit Commission 1987, 4)

At first sight, it may seem surprising that an agency of the British government is drawing unfavorable parallels between cities in Britain and the United States. Of course, many characteristics of London are *not* shared with New York or Chicago—notably, crime rates. But the purpose of drawing the parallels

was to indicate—perhaps overdramatically—that certain trends are evident in major British cities that could, if left unchecked, take the country down the same path as major American cities. Many of these trends are most apparent in areas of social housing. Not surprisingly, housing professionals working in such areas feel compelled to respond to these trends. After briefly describing the British context, this article looks at the trends themselves, the different responses advocated, and the way they are shaping the future of housing management.

Social housing in Britain

Background

The social housing sector in Britain consists of local authority (or "council") housing and that built by housing associations. Its history can be divided crudely into three phases. Local authority housing started in scale during the 1920s; the two decades before World War II saw its first expansionary phase, as it rehoused people from the worst of the Victorian slums. A second expansionary phase, from the mid-1950s until the early 1970s, completed this rehousing process as well as catering for postwar population growth. In the third phase, not yet completed, council housing has contracted—principally because of the Right to Buy policy of the 1979 Conservative government, but also because of investment cuts and a switch of priorities toward nonprofit, quasi-independent housing associations. Currently, the social sector makes up 24 percent of the available housing stock. There are 4.8 million council dwellings and 780,000 owned by housing associations.

Of the European countries, Britain is unusual in now having *both* a high level of owner occupation *and* a relatively high level of social renting. The private rental sector, once dominant, has declined to only 9.5 percent of households, although it shows some signs of modest revival. Of European Union countries, Britain has the second largest social sector.

What distinguishes social housing's client group?

Social housing has always been a mixture of a tenure of choice and a tenure of last resort. During its early phase, the alternative tenure was principally private renting; more recently, it has been principally owner occupation. The extent to which the clientele has had effective choice has varied. During periods of

massive slum clearance, many new tenants had no viable alternative. In contrast, as a result of the government's Right to Buy initiative and its associated discounts, the 1980s were a period of new effective choice for existing tenants who had hitherto had little choice. For reasons that I will discuss, this was a short-lived phenomenon, and the majority of tenants now have less effective choice than previously.

In contrast, the private rental sector is a mixture of parts in which there is considerable choice of both landlord and tenure (the alternative being owner occupation) and parts in which there is no effective choice at all. This is because part of the sector houses people whose status (usually, lack of children) effectively excludes them from social housing in certain areas. They are particularly open to exploitation, as they have nowhere else to go.

Another contrast between the social and private rental sectors is in the extent of choice open to landlords as to whom they house. Social landlords have little choice, since the homelessness legislation (at present) makes them the landlord of last resort. (That is, they are under a legal obligation to provide accommodation for homeless families and certain other categories of "vulnerable" people.) Private landlords can choose tenants much more freely. Furthermore, social landlords mainly have to offer permanent tenancies, whereas private landlords (since 1989) mainly offer short-term ones.

Conventional social housing management

"Bricks-and-mortar" housing management

What is often described as "bricks-and-mortar" housing management is the basic tasks of creating new tenancies, collecting rents, and dealing with repairs. But it would be a mistake to characterize social housing management as originally being about bricks and mortar and now moving on to a wider agenda. In fact, an important part of its origins lies in the social reform movements of the last century, with a strong welfare element (albeit one with a paternalistic flavor). The leading exponent of this rather moralistic welfare approach, Octavia Hill, was an undoubted influence on management methods during the interwar period, but it has been argued that housing management was seen primarily as an administrative task (Clapham 1987).

However, by the postwar period, council housing had to some extent lost its stigma of being housing for the poor, and many professionals began to advocate it as a tenure of choice. For example, in 1959 a government advisory group wrote:

> Tenants today are much more representative of the community as a whole and are, for the most part, independent, reliable citizens who no longer require the support and guidance which was thought to be necessary in the past. Local authorities must recognise that this is a major social change which is likely to become more marked in the years ahead: and that this recognition must be given positive effect in their management practice. Though the basic functions remain the same, methods must be continuously adjusted to keep ahead of changing conditions. It is this which constitutes the present challenge to all those engaged in housing management.
>
> To think of the tenants of today as though their circumstances and needs are the same as those of tenants of a generation ago would be unreal. Similarly to expect methods of management designed to meet the needs of tenants in the 1930's to be suitable for the 1950's or 1970's would we think be quite wrong. (Central Housing Advisory Committee 1959)

Unfortunately, the full development of council housing as a tenure of choice was predicated on assumptions about a broader based clientele that proved to be false. But during the expansionary phase of the two decades leading up to the mid-1970s, attention was firmly focused on more efficient and effective delivery of basic landlord functions such as rent collection, lettings, and repairs.

Effectiveness of conventional housing management

Two major studies of the basic housing management task have been carried out in recent years. The focus of the Glasgow study (Centre for Housing Research 1989) was to compare performance in the two parts of the social sector: council housing and housing associations. Its conclusion, broadly, was that local authorities were more cost-effective, whereas housing associations delivered a higher quality service.

The recently published York study (Department of the Environment 1993) embraced some of the working methods of the

Glasgow research, and it is worth summarizing the findings in some detail.

Rent collection. Local authorities (LAs) have 37 percent of their tenants in arrears, compared with 28 percent of housing association (HA) tenants. Average arrears are £190 per tenant for LAs and £133 per tenant for HAs, or about seven times and four times the average weekly rents, respectively. The proportion of tenants in arrears correlates strongly with measures of social deprivation. Decentralized administration and door-to-door rent collection appear to be effective in reducing arrears, but there is also a correlation with more severe enforcement methods—for example, the procedure known as "distraint" (seizure of the tenant's goods).

Allocations and lettings. The majority of social landlords now use a point system for assessing need and allocating properties to new tenants. Such systems allocate points or scores to different levels of need, on the basis of factors such as family size and problems in the current dwelling. The study was cautious in assessing the effectiveness of allocations practices, partly because it is difficult to assess the "fit" between households and dwellings and partly because tenant dissatisfaction is often associated with the length of time waited and shortage of suitable houses.

Managing empty properties. In April 1991, 1.9 percent of LA stock was empty, compared with 2.2 percent of HA stock. Most social landlords had performance targets for re-letting empty properties and produced internal management data on performance. LAs with higher empty-property rates tended to have larger stocks and be in deprived areas; they also tended to have an older stock or more flats (apartments) than houses.

Repairs and maintenance. Most social landlords now have target times for carrying out repairs, and most completed the more urgent repairs on time; minor repairs were less frequently completed on schedule. Some 34 percent of LAs and 18 percent of HAs were poor performers on an index of efficiency in dealing with routine repairs. Overall, though, performance was judged to have improved since the Glasgow study.

Good practice. The York study looked at particular examples of good practice, notably decentralization of management tasks, use of performance indicators, and tenant involvement. It found significant growth in all these areas since the Glasgow study of six years before.

Overall performance. Unsurprisingly, when several performance measures are considered together, LAs with big stocks in deprived areas tended to be poorer performers as housing managers than other LAs. More surprisingly, poor performers tended to involve tenants more in management and, in HAs, tended to spend more on management. The likely explanation for the link between poor performance and tenant involvement is that big LAs face larger and more complex housing problems, and they are therefore more likely to recognize both the need for and the benefits of tenant involvement.

The Glasgow and York studies are milestones in defining and assessing the housing management task. They are concerned with some of the fundamental indicators of performance in basic housing management, and the picture that they paint is not unfavorable. Although the subject was outside their scope, the studies could have examined private landlords with the same indicators.
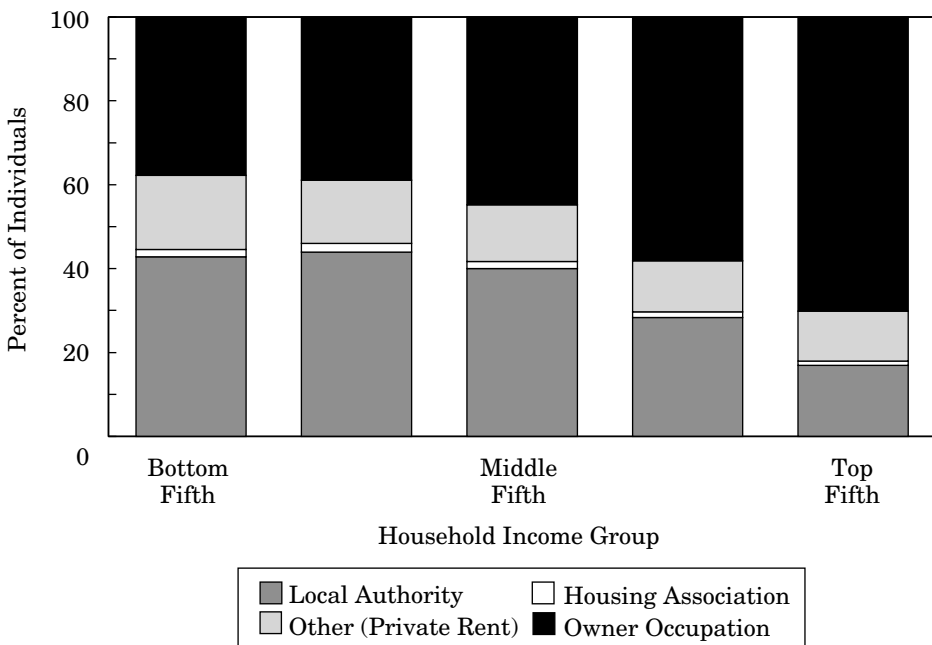
Social housing's client group: Polarization, residualization, and marginalization

Although the differences between the social and private rental sectors have always been present, the client group of social housing has changed dramatically over the past 20 years. One reason for this change is that, for the first time, the social sector is contracting rather than expanding. This is true in spite of the fresh emphasis on HAs from 1980 on, primarily because of the Right to Buy and the failure to reinvest the full amount of the £28 billion proceeds (more than £40 billion at current prices) from the sales. The number of units in the social sector is now 5.65 million, compared with 6.8 million in 1976 (Wilcox 1994). A declining stock has meant a move away from the "tenure of choice" ideas of the 1970s toward a principle of a "tenure of last resort." This has been exacerbated by the government's promotion of homeownership and its policy of targeting assistance from the public sector to the poorest households.

There are more poor households now than in the 1970s. In 1991, 7.9 million people were earning less than 40 percent of the average income, compared with 1.7 million in 1979. Looked at another way, while income for the population as a whole rose by 36 percent over this 12-year period, the real income of the bottom tenth *fell* by 17 percent (Hills 1993).

With the continuing decline of private renting and the inaccessibility of homeownership to those on state benefits or with low earned incomes, poverty has increasingly concentrated in the social sector. The economic profiles of different tenure groups have changed remarkably since the mid-1970s. As shown in figure 1, council housing had a relatively flat profile across four-fifths of the income band as recently as 1974. Now it is overwhelmingly made up of people in the bottom fifth (figure 2). Economic activity is a key determinant of relative prosperity, especially in a period when the value of state benefits has been progressively eroded. In fact, nearly all the increase in economic inactivity in the U.K. work force during the 1980s took place among social housing tenants rather than private tenants or owner-occupiers.

*Figure 1.* **Housing Tenure by Income Group, 1974**

Source: Hills (1993).

Economic inactivity is just the most obvious of the trends that together add up to the *polarization* of social housing's client group. Other trends include the following:

1. Fewer households with several earners
2. Fewer higher income families
3. Fewer car owners

Figure 2. **Housing Tenure by Income Group, 1990**
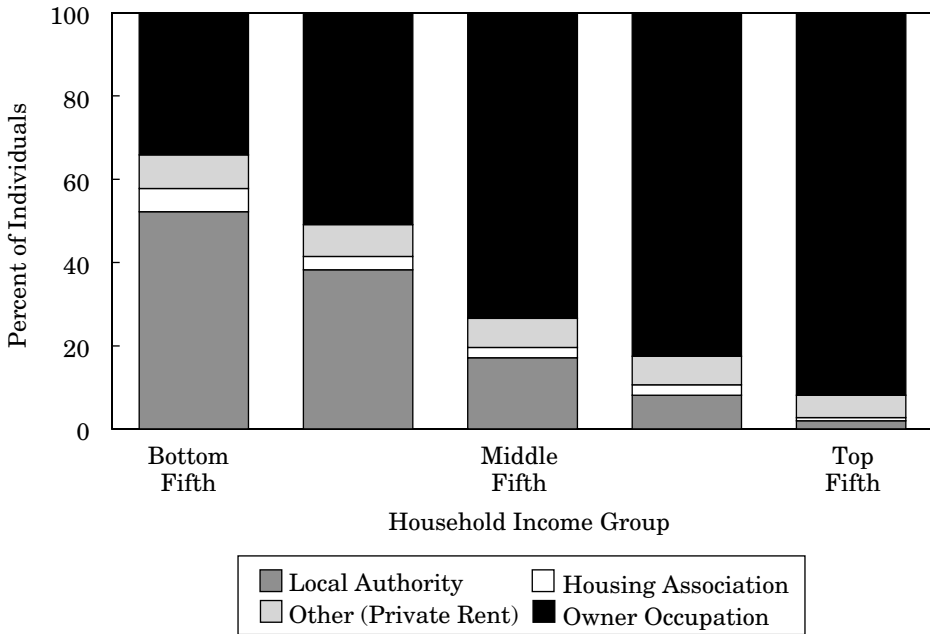
4. Fewer "traditional" families (a married couple with one or two children)
5. More unskilled and low-income workers
6. More unmarried people
7. More lone parents
8. More single people
9. More elderly people
10. More children and young people
11. More tenants dependent on benefits

Many of these issues were recently catalogued in a much-discussed study of new HA developments and their clientele (Page 1993).

Polarization is reinforced by the declining quality of the stock. This is the other side of the coin of the "success" of the Right to Buy. The remaining stock tends to be of poorer quality, and underinvestment makes it worse as it gets older, leaving people with fewer opportunities to transfer to better homes. Those with the least bargaining power tend to be in line for the least desirable properties and to be least able to wait for better properties.

The promotion of homeownership, especially in the second half of the 1980s, has meant that social housing is increasingly a "safety net" tenure for those with no choice; that is, it has become *residualized*. Those in social housing are faced with higher and higher rents and hence the growth of rent arrears—itself a form of trap.

Finally, social housing tenants have less and less bargaining power, whether economically or (at a national level) politically. They have become *marginalized*. Many no longer pay their rent themselves because their rents are met totally from personal housing subsidy (Housing Benefit), and they have therefore lost their spending power in the housing market. Worse, social housing tenants as a national political force have been effectively discounted. Although there have always been marginalized sections of British society, their close association with state housing is new (in spite of the greater power tenants now have as *customers*, which is addressed later).

Consequences for conventional housing management

When considering the four basic tasks of conventional housing management—collecting rents, allocating properties, managing empty properties, and arranging repairs—it is not difficult to imagine how these have been made more difficult by the trends noted above. Rent collection has in one sense been made easier by benefit payments covering up to 100 percent of rents (except for continuing administration problems), but as far as those not receiving benefits are concerned, the combination of increasing rents and increasing poverty has led to a dramatic growth in arrears—currently standing at £453 million nationally, or 6.8 percent of the total annual rent roll (Department of the Environment 1994b).

Allocation has been made more difficult by increased demand for a smaller stock, particularly over the past five years as homelessness has soared from 100,000 to around 140,000 annually. This last pressure is so great that the government is planning to review the legislation to reduce access through the "homelessness" route. Properties are now allocated, in most areas, only to the neediest families.

Managing empty properties has become a high priority because of the pressure for new lettings and to maintain rental income. At the same time, vandalism, underinvestment, and (in some

areas) squatting combine to impede swift reallocation to new families.

Pressure on repair services is now enormous, partly because the stock is older and less investment is taking place and partly because of greater tenant demands. Council house repairs are now the biggest single source of complaints to LAs.

During the 1980s, new demands were placed on housing management that either had not existed or were much less in evidence before. It is from these new demands that many of the recent initiatives in housing management have sprung.

New demands

Added to the widespread changes in the environment for housing management just noted, the past decade has brought several new demands, as new dimensions to the social status of public housing's clientele, in the form of new policy initiatives, or as a combination of the two. Six new demands can be identified under this heading.

Community care

Legislation in 1990 created new powers and responsibilities for health and social services authorities, aimed at providing home-based rather than institutional care for a wide range of groups: people with disabilities, people with learning difficulties, the elderly, and so on. Although the new emphasis was to be on home-based care, it was not immediately apparent how social housing agencies were to be involved in the process. Early experience with implementing the legislation shows that although at the strategic level there is still a patchwork of varying degrees of joint planning between housing authorities and health and social services authorities, at ground level many housing agencies are now rehousing more clients requiring domiciliary care of various kinds, and the agencies are dealing with client groups that place new demands on their skills and time.

Crime

The relentless growth of crime in recent years has particularly hit public sector housing. For example, there are more than twice as many burglaries per 100 households in council housing

as in owner-occupied housing (Hope 1990). Crime may be particularly concentrated in certain high-risk estates. For example, in the Mozart Estate in London nearly one in five households experienced attempted burglary in one year. In this case and others, crime may be drug related. People on low incomes, black people, and young adults are more often victims of crime, and young women suffer most from violence. Crime and fear of crime make both the management task itself and the task of allocating properties in perceived high-crime areas more difficult.

Race

Race and housing in Britain present a complex picture because although ethnic minorities suffer disproportionately from poor housing (Amin 1992), this housing may not necessarily be in the public sector. In general, the proportion of Afro-Caribbean households in social housing is higher than the norm, and the proportion of Asian households is lower. Housing managers have faced the new challenges of avoiding discrimination in allocating housing, adapting to cultural and language differences among their clientele, and dealing with racial harassment of black people by their white neighbors (see Deane 1993).

Employment

As I have discussed, the employment status of social housing tenants has changed dramatically in the past 15 years. Approximately 75 percent of social housing tenants are in the lowest 40 percent of income groups, and three-quarters are partly or wholly dependent on state benefits. Apart from the obvious relation between unemployment and crime levels, housing managers have faced new demands to help alleviate poverty among their clientele. One response has been to attempt to keep down direct and indirect housing costs. Another has been to look for new employment-generating initiatives.

Environmental concerns and fuel poverty

Environmental concerns have affected social housing in several ways. In the narrow sense, the environment has been implicated in the problems of crime and vandalism on estates (Newman 1972). Much effort has been spent on improving the physical environment of poorly designed estates. More recently, new social housing developments have often been found to be energy

inefficient, leading to demands for better thermal insulation. A related concern has been the growth of "fuel poverty," defined as "the inability to achieve affordable warmth because of the energy inefficiency of the home" (Boardman 1994). Housing managers have attempted to tackle these environmental issues because of their adverse effects on tenants and on their indirect housing costs.

Tenant involvement

Demand for greater tenant involvement in housing management began in the 1960s but could be said to have matured only in the past decade. Part of the demand came from tenants themselves, and part came from changes of stance by the central government and local government toward encouraging involvement. Paternalistic styles of housing management have increasingly been replaced by a partnership approach, in which tenants are seen as having a key voice. Of course, experience is patchy, but even so housing managers must now expect to have the skills to relate to their clientele in new ways.

Changing policy context

Apart from these new bottom-up demands, a whole new set of top-down pressures during the 1980s changed the policy context in which social housing managers operate. Most of these pressures originated with central government's dual objectives of promoting individual homeownership (or at least reducing public ownership) and cutting public expenditure. Commentators have criticized the government for having no explicit housing policy but only an *implicit* policy based on these two objectives.

Withdrawal of investment

In real terms, average annual new public capital investment in housing exceeded £6 billion for the seven years ending in 1979, fell to £1.6 billion for the seven years ending in 1986, and fell to less than £1 billion for the seven years ending in 1993. Even taking into account Right to Buy proceeds, capital investment is now running at only two-thirds of its 1979 level. New building in the social sector is running at about 17 percent of its level in the mid-1970s, and there is a repair backlog estimated at £9 billion (Audit Commission 1992). Underinvestment causes intense pressures on housing managers because they are unable to meet

demands from tenants or potential tenants and may well be blamed for these failures.

Pressures on running costs

To make matters worse, revenue subsidies have also been cut, forcing rents up. The new financial regime introduced for both LAs and HAs in different forms in the late 1980s has had similar effects. Since 1989, rents have gone up by 62 percent in council housing and by 42 percent in HAs. This pattern looks set to continue (in 1994–95, council housing nationally made a "profit" for the first time). The effects are increased benefit dependence, pressure on family incomes for those ineligible for benefits, and further pressure on housing managers perceived as providing a poorer product at greater cost.

Privatization and pluralization

I have already noted the effect of the Right to Buy, which resulted in 1.5 million houses moving from the social rental sector to the owner-occupied sector. Other privatization measures have had less dramatic effects, such as "voluntary transfer" of stocks from councils to HAs (affecting 3 percent of the stock). As a result of these moves and the effective halt in new building by councils, tenure has become more diverse in hitherto exclusively social housing areas, and there is a new plurality of providers (principally, but not exclusively, HAs). As I will demonstrate, the privatization process is due to accelerate.

Who pays?

One of the contradictions emerging is between the increased tendency to see local housing as standing on its own feet financially and the fact that its client base is becoming poorer and poorer. This is another facet of the move from subsidizing production to subsidizing consumption—that is, from collective support to individual support—but for fewer individuals. The contradiction was exemplified in the court case known as the Ealing judgment, which arose from the attempt by one London council to force tenants to pay for a wider range of services and hence to raise rents dramatically and the challenge by these tenants to the legality of this approach. Although the outcome was (broadly) in the tenants' favor, the final outcome for social housing finance is still unclear. At first it seemed that a

tightened bricks-and-mortar definition of social housing manage-
ment might result, including what can legitimately be paid for,
but this is not yet certain. The judgment did, however, highlight
the dilemma about how to finance welfare services for an in-
creasingly narrow client base when evidently the clients cannot
afford to pay for the services themselves.

The citizen's charter

A final initiative—which came from outside housing but has had
an impact on it—has been the government's aim of prioritizing
customer rights across the public sector and of obliging public
authorities to publish comparative data for judging their per-
formance. Although this has been a welcome initiative in some
respects, critics have pointed out that a new emphasis on respon-
siveness is difficult to sustain when resources are being cut. It
has also been argued that this approach is based on an old-
fashioned, production-line view of quality, based on rectifying
defects at the end of the line and allowing customers to return
shoddy goods, rather than aiming for "zero defects" at each stage
of service delivery (Bennington 1994). The latter is the hallmark
of "total quality" approaches referred to later.

Responses by government to the context of social housing in the 1990s

How do social housing and the task of the housing manager
adapt to the new social and political context that has emerged?
Broadly speaking, there are two sets of approaches. Each ele-
ment of the first set, described in this section, has been either
introduced or advocated by the present government or its sup-
porters. The second set, described in the next section, presents
alternatives to these approaches.

Targeted improvements

Given inadequate investment, broadly speaking, policy makers
have a choice between spreading the funding thinly or targeting
it in certain areas. In practice, both approaches have been ap-
plied, but there has been a marked shift in the direction of
greater targeting. Under this approach, a number of high-profile
areas benefit from the available resources, while other areas,
possibly equally needy, lose out. Physical improvements to the

houses may be accompanied by broader approaches to management and by greater tenant participation. One variant of this approach is to concentrate on cosmetic improvements to the outward appearance of areas. Another is to encourage competition for resources, particularly favoring approaches that bring in private investment by making radical improvements in management and by developing tenant involvement. This is typical of the government's Estate Action program.

A number of success stories have emerged from this approach. The main criticism is not of the approach itself but of its limited scale. That is, too few areas benefit, and in those that do, central government involvement in local decision making is greater. Competition may stimulate innovation, but it can also raise expectations among tenants that are later dashed, damaging local relationships.

Return to bricks-and-mortar property management

Another response to the residualization of social housing and the apparently limitless demands on housing managers has been to turn away from those demands, arguing that the housing management task is to carry out the landlord functions and nothing more. The return to a bricks-and-mortar approach can be driven by a number of considerations, many related to cost:

1. Housing management should be confined to the bricks-and-mortar role, since any wider role is limitless and costs cannot be contained.

2. Subjecting the management task to competitive tendering (see below) further emphasizes the need for a minimal, cost-driven approach.

3. There are other agencies to meet welfare needs. Housing managers who attempt to meet such needs will do so badly and will undermine the function of other services.

4. A welfare role encourages dependence.

5. Bricks-and-mortar management is measurable. Programs to raise the standard of management, measure performance, and publicize the results focus attention on aspects of the service that tenants regard as crucial.

6. Part of the social housing task is, in reality, carried out by the down-market part of the private rental sector, where landlords will normally do no more than bricks-and-mortar management (and standards even at this level may be grossly inadequate). There is therefore no need for social housing to do more than this.

In the U.K., there are certainly geographic areas where parts of the social housing stock are still managed largely on a bricks-and-mortar basis because they are traditional working-class communities exhibiting few of the social pressures mentioned above. However, in most of the sector, this narrow model has so far been rejected, at least before the advent of competitive tendering and the government's recent proposals for rehousing the homeless.

Competitive tendering

Compulsory competitive tendering (CCT) for the management of LA (but not HA) housing was announced in 1992, and it is due to start in many areas in April 1996. The government has taken legal powers to require councils to open a defined range of tasks to competition:

1. Collecting rent and service charges
2. Letting property
3. Enforcing tenancy agreements
4. Managing vacant properties
5. Organizing repairs and maintenance
6. Caretaking and cleaning

In announcing the proposal, and in subsequent pronouncements, the government has advanced the following reasons for CCT:

1. Social housing management is of variable quality, and CCT will raise standards through competition.

2. CCT will save money and therefore give better value to tenants for their rents.

3. Involving tenants in the process of preparing for, evaluating, and monitoring tenders will allow them to develop a more powerful role.

Critics have argued that CCT is at least as likely to push down as to drive up standards, because potential competitors will in

many cases come from the private rental sector. Given the need to make a profit, costs could also go up, especially because of the need to put in place new mechanisms to monitor contracts. Tenants are widely believed to be opposed to CCT, and it is questionable whether a contractual relationship will facilitate their participation. Contracts covering the wider housing management task are also inherently difficult to write, since outputs might be impossible to specify. Contracts that last five years will rigidify practices and inhibit adaptability and innovation. The best large-scale private enterprises—such as Marks and Spencer or Japanese car producers—do *not* use price competition and short-term contracts but aim for a more structured, long-term relationship with their suppliers (Bennington 1994).

Finally, it is argued that the real motive for competition is to extend the role of the private sector, now that the program of Right to Buy sales and other devices for privatizing social housing have largely run their course. As prospective bidders from the private sector line up to take part in the tendering process, this argument has increasing force.

Nevertheless, barring political changes, CCT seems certain to go ahead. As a response to the new pressures on social housing managers, the result could be to curb expansionism, internalize cost pressures (through the tendering process, which could drive down salary and other costs), and lead to a reemphasis on quantifiable outputs. Work that is extraneous to the contract either will not be carried out or will be specifically costed, creating new disciplines for managers. Already there are signs that one or two LAs will pursue this narrower approach, and more could follow if significant competition materializes from bricks-and-mortar landlords whose experience is based in the private rental sector.

Making a virtue out of necessity: Residualization and targeted subsidy

A more extreme response to residualization is to welcome it. Given that the Conservative election victories in 1979 and 1984 are at least partly attributable to the party's successful Right to Buy policies in council housing, which have led to 1.5 million homes passing into owner occupation, it is perhaps not surprising that some politicians have regarded those left in the social rental sector as beyond the pale. Recent Conservative governments (unlike those of the 1960s) have been criticized for having no clear housing program beyond unrelenting pursuit of home-ownership and cuts in social spending. This failure could be held

to reflect either a lack of concern for social housing tenants or, worse, an antipathy toward them. Although not the paramount strand of Conservative thinking, this attitude is certainly present. For example, in 1988, Malcolm Rifkind, then responsible for housing in Scotland and still a cabinet minister, made the following comments about those unwilling to buy their council houses, who obstinately prefer to remain social housing tenants. There are those, he said,

> whose lack of enjoyment of the new prosperity has been, at least in part, a product of their own choice and personality. For some, old habits die hard. Indifference to the new climate of success, fecklessness, and sheer hostility to change effectively consigns this group of people to the fate of continuing lower living standards and a poorer quality of life than they could otherwise enjoy. That is their choice in a free society. Any notion that other citizens, as taxpayers, should be called upon to mount rescue operations in these circumstances would not only be economically debilitating, but also morally wrong.

It is not too difficult to move from such attitudes toward accepting, or even welcoming, residualization of the social housing sector. Even if this is not explicitly stated as a policy objective, unrelenting cuts in investment combined with pressures on management costs, leading to worse and worse conditions in many parts of the sector, have the same effect as an overt policy.

Since 1988, financial support for rental housing has swung massively away from subsidizing investment toward personal subsidy. This change has pushed up rents while forcing up the Housing Benefit bill. The resulting budgetary pressures have led to cuts in the Housing Benefit system, particularly by withdrawing benefit more rapidly as income rises. The result is the notorious "poverty trap," in which recipients who might get a job see their benefits disappear so rapidly (with a marginal "tax" rate of up to 97 percent) that they are deterred from working. Meanwhile, working people who might otherwise wish to become social housing tenants are deterred from doing so by high, unsubsidized rents. Combined with the severe shortage of social housing that encourages landlords to house those in most need, the poverty trap reinforces the residualization of the sector. Given that government ministers have had these effects pointed out to them by no less a source than a parliamentary committee and yet have turned the ratchet of investment and subsidy cuts and higher rents several notches further, it is difficult not to conclude that residualization *is* government policy, even if it goes under the title "targeted subsidy."

The end of social housing?

Some commentators have faced the challenge of complete residualization by calling for the end of social housing. These calls have come from both the left and the right of the political spectrum and date from the 1960s to the present day.

One strand in this argument is based primarily on the argument that the equity in social housing is better placed in the hands of the occupier than in those of the public sector landlord. Both Peter Walker (on the left of the Conservative Party) and Frank Field (on the right of the Labour Party) have in the past called for council houses to be *given* to their tenants (Field 1976). More recently, a similar call for universal homeownership as a panacea for the problems of social housing was made by the chairman of the Council of Mortgage Lenders (Shelter 1993). Although this is based primarily on the notion that a transfer of wealth of this kind would reduce social inequality, the implication is that tenants of social housing *do not need* any kind of welfare service from their landlords, nor should such a role be provided for in the future.

The government's recent homelessness review has also called the whole future of social housing into question (Department of the Environment 1994a). This report encourages a much greater role for the private rental sector in dealing with one of the most vulnerable client groups currently housed in the social sector. It also includes the extraordinary statement that "future generations may not thank us if we continue to devote scarce natural resources to producing even more dwellings" (p. 2).

A more extreme variation of this view actually *ascribes* social problems to the public ownership of the stock. This is most cogently argued by David Coleman of the organization Housing Choice. His remedy would be to transfer ownership to private landlords, whose role should be reduced to bricks-and-mortar property management. Such a viewpoint has recently been echoed in Parliament by Conservative Member of Parliament Peter Thurnham, and it could also be said to be implicit in some of the experimental policies being pursued in some Conservative-controlled London boroughs (Thurnham 1993).

Alternative responses

Alternative responses to the changing environment of social housing are driven partly by recognition of social housing's

changed client base and partly by the need to respond to policy measures introduced or suggested by the government. This is not to suggest that there are two clear sides to this debate: Some social housing managers would certainly support some of the measures just described. But there has been a reaction to the twin challenges of the changed client base and new government policies in the form of an alternative approach developed by the professionals themselves. The examples cited below are not mutually exclusive.

Increased professionalism

Recognition that performance is all-important and that housing management is more than bricks and mortar has led to a stronger sense of professionalism, with growing membership of the professional body, new educational programs leading to membership, and a much greater emphasis on in-service training covering a much wider field of activity than ever before. This has been accompanied by a raised profile for housing management within both LAs and HAs, but particularly the HAs, which until recently have typically been "development led."

Although stronger professionalism could in part be seen as a defense mechanism, perhaps a stronger motive is the acknowledgment that housing management has been insufficiently professional and that only by changing can it hope to meet the twin challenges noted above.

Quality approaches

An extension of this approach has been the argument that housing management should embrace ideas about quality that derive mainly from private enterprise. This has been interpreted as incorporating both service to customers *and* professionalism; one definition in the public service context is given by Pfeffer and Cooke (1991, 10) as follows:

> *Quality* is achieved through constantly striving to meet customers' requirements; it is everything that an organisation does in the eyes of its customers which will encourage them to regard that organisation as one of the best, if not *the* best, in its particular field.

One variant of this theme has emphasized *customer care*, in which primacy is given to customer needs (Passmore and

Ferguson 1994). Others have discussed *total quality manage-ment*, described by Catterick (1992, 4) as "a new way of working to improve the flexibility and effectiveness of organisations. It seeks to integrate the various activities within an organisation to achieve a common goal by developing a culture in which the customer is paramount."

Total quality management emphasizes both process and product. The accreditation required to obtain approval under British Standard BS5750 places more limited emphasis on process. To receive accreditation, businesses submit their processes for review by an independent standard-setting agency.

Approaches that emphasize quality are important because, although developed from the bottom up, they have taken the argument about the future of housing management onto the government's own ground.

Defining comprehensive standards

An important question raised earlier that comes to the fore in considering quality issues is, What *is* housing management? One way of answering this question is to define housing management in considerable detail, in terms of the tasks and performance standards to be met if a quality service is to be provided. This is the basis of the Chartered Institute of Housing's *Housing Man-agement Standards Manual* (1993), the first attempt (in Britain) to define and set standards for the full range of tasks needed to achieve a decent, safe, and secure home for social housing ten-ants. Some 80 percent of LAs and 200 HAs are using these standards.

Setting standards in such detail requires exploring and delineat-ing the housing management task. By implication, the standards do this; however, it is important to keep the boundaries under review. One crucial question, for example, is the emerging role of housing in community care. The issues this task poses for the definition of housing management are currently being explored (Clapham and Franklin 1994).

Decentralization

One problem in achieving a responsive service, particularly in LA housing, has been the sheer scale of the operation. Reorgani-zation of local government in England and Wales in 1974 led to a

10-fold increase in the average size of the housing stock held by municipal landlords, while the biggest stock of all is in Scotland (Glasgow has 140,000 dwellings). Decentralization is generally seen as having started in 1980 in the town of Walsall, when a network of 32 neighborhood offices was established. Since then there have been a variety of different approaches (Cole, Arnold, and Windle 1991). The common thread among all such approaches is the belief that quality will improve if services are delivered on a smaller scale, closer to the customer.

Tenant involvement

Citizen participation has a long history in urban renewal in both Britain and North America (Sherry Arnstein's seminal article "A Ladder of Citizen Participation" [1969] applies equally to both sides of the Atlantic). Its provenance as tenant involvement in social housing is more recent but now well established. The York study (Department of the Environment 1993) shows that tenant involvement is more prevalent in larger LAs and HAs and, ironically, may be greatest in areas with the poorest quality service (suggesting that tenants have something to fight for).

Moving from tenant participation to tenant control has been more problematic, but nevertheless there are now a variety of experiments at different rungs of Arnstein's ladder, *going beyond* consultative mechanisms to estate management boards, cooperatives, and full ownership transfers to tenant-run organizations (Phillips 1992). All could be seen as quality initiatives, in which empowering the tenant is an integral part of the definition of quality.

More than bricks-and-mortar approaches

I have already noted the pressure on social landlords to tackle a range of social issues, and there are many notable local examples of initiatives aimed at particular local problems, such as crime or racial harassment. However, as far as LAs are concerned, the *comprehensive* approach to social development of housing areas that to some extent emerged in the 1960s and 1970s has been the victim of spending cuts, the demise of new building programs, and the advent of CCT. It has remained alive in Estate Action and similar programs, but these have only limited coverage. The comprehensive approach took a new form in private sector urban renewal, with a range of initiatives designed to upgrade whole areas. Recently it has been reinvented by HAs

faced with residualization in their new developments. The best recent exemplification of approaches to comprehensive social development has been the second Page report (1994). This report outlines a process for developing a *community* in a new development alongside the process of building the houses; the task involves a range of interventions by the landlord—interventions that may not be new in themselves but that have not often been planned comprehensively.

It is a further move still for housing managers to be concerned about the overall economic well-being of a housing area, but this is now increasingly being discussed. One argument is that wider "social audits" of housing-based community initiatives should take place (and indeed have taken place in Estate Action programs) because they will demonstrate the cost-effectiveness of such measures as child care facilities, which otherwise might appear only as a cost to the landlord, with questionable benefits. Another argument has pointed out that the Audit Commission is capable of taking a wider view of cost-effectiveness when examining issues such as fire prevention, but it has never done so in its housing work. The social landlord needs to consider all the revenue flows on an estate, not merely those reflected in the landlord's accounts. This logically leads to a much greater involvement in schemes to minimize costs (e.g., energy efficiency), make better use of available income (e.g., debt counseling), or generate new income (e.g., employment initiatives).

In this context, it has been pointed out that the value of the overall input by the state in an area, in terms of both cash benefits and services, is often the equivalent of a basic wage for every adult on the estate. If this could be "ring-fenced" within the area, instead of leaking out to more affluent areas, it could improve residents' economic circumstances considerably. Initiatives such as credit unions and schemes based on bartering skills within the community, promoted by bodies such as the New Economics Foundation and the Centre for Local Economic Initiatives, take steps in this direction. A more comprehensive approach to local economies tends to founder on the dwindling powers of LAs to intervene and also requires new skills.

Conclusions

The six major developments just noted—increased professionalism, development of quality approaches, defining comprehensive standards, decentralization, enhanced tenant participation, and more than bricks-and-mortar initiatives—are key characteristics

of a broader approach to the housing management task. Such measures are supported both by the majority of housing professionals and by government ministers.

The difficulty is that these key developments, though important, are an insufficient basis for an effective housing service. There are significant barriers to effective management arising from the changing client base and from government policy toward social housing. Of the negative features I have discussed, perhaps the most serious are residualization, underinvestment, and the government's attitude (some would say antipathy) toward the public sector as reflected in its privatization and competition policies.

The tasks involved in overcoming these barriers are considerable. Residualization can be reversed only by policies toward subsidy that lead to lower rents and a broader client base. But such policies depend on greater investment to increase the supply of housing and enhance the attractiveness of the existing stock. Various proposals have been made, including that of the Chartered Institute of Housing (1992), to achieve this investment without making a substantial new commitment of public funds. However, progress depends on a shift in attitude by the present government toward recognizing the importance of social housing as both a social and an economic asset. Until this happens, new approaches to housing management, even those with government support, will have little impact.

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