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The Return of Class War Conservatism? Housing under the UK Coalition Government – to be published in Critical Social Policy, Feb 2013

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Abstract

The May 2010 election of a Conservative-dominated UK Coalition Government unleashed an unprecedented austerity drive under the auspices of “deficit reduction” in the wake of the global financial crisis. This article focuses on housing policy to show how the “cuts” are being used as an ideological cover for a far-reaching, market-driven restructuring of social welfare policy that amounts to a return of what Ralph Miliband called “class war conservatism”. We revisit the main ideological contours and materialist drivers of Thatcherism as a hegemonic strategy, discussing the central role played by housing privatisation in the neoliberal project that was continued, but not completed, by New Labour. We then discuss the Coalition’s assault on the housing welfare safety net it inherited, arguing this has rapidly shut down alternative directions for housing and represents a strategic intervention designed to unblock and expand the market, complete the residualisation of social housing and draw people into an ever more economically precarious housing experience in order to boost capitalist interests.

Key words: neoliberalism, class, Thatcherism, housing privatisation, Coalition Government

Introduction

Following an indecisive May 2010 UK general election, Conservative David Cameron became Prime Minister of a Coalition Government with the Liberal Democrats. In opposition, Cameron’s rhetoric of building “the Big Society” and his emphasis on post-materialist
concerns (Kerr et al, 2011: 195) suggested a break with both the moral authoritarian and economic libertarian faces of Conservatism. As the general election approached in the shadow of the global financial crisis and looming cuts to public spending, Cameron’s discourse stuck to this new middle-ground, attacking the City’s bonus culture and banking deregulation and promising to protect frontline services and “the vulnerable, the poorest in our society” (Cameron, 2010a; 2010b). The Liberal Democrat’s electoral pitch for “fairness” to guide economic rebalancing and budgetary restraint (Liberal Democrats, 2010) leant legitimacy to a partnership between the parties. The Coalition’s post-election direction, however, could not be more different. Alongside the renewed privatisation and marketisation of public services and assets, including the National Health Service (Pollock and Price, 2011), the avalanche of public spending and welfare cuts have been described by the Institute for Fiscal Studies (IFS) as “clearly regressive as, on average, they hit the poorest households more than those in the upper-middle of the income distribution in cash, let alone percentage, terms” (IFS, 2010). This gap between pre-election rhetoric and policy reality is no clearer than in social housing. Amid speculation that a Conservative Government would end council tenants’ security of tenure in England, a week before the May election Cameron gave his personal assurance that social housing would be safe on his watch:

…the truth is that in the last few years, it’s been Labour ministers who have thrown social tenants’ right of tenure into question, and it’s been this Labour government which forced up social rents for councils so that they’re in line with housing association rents. The Conservative position…is very clear: we support social housing, we will protect it, and we respect social tenants’ rights (Cameron quoted in Inside Housing, 2010).

By November 2010, this “clear” promise had given way to proposals – now implemented – to scrap the statutory right to life-time tenancies for new social housing tenants in England and
Wales with only two year “flexible tenancies” guaranteed. But reduced tenancy rights represent just one of numerous regressive reforms to the “housing welfare safety net” during one of the deepest housing crises of modern times, reflected most starkly in the 68% increase in social housing waiting lists in England alone between 2002 and 2011 (DCLG Live Table 600). Some of these reforms, including changes to the housing benefit system, affect the entire United Kingdom, although a continuing symptom is significant inter and intra-regional variation.

In this article, we argue that the Coalition Government’s housing policies reflect a radical resurrection of the Thatcherite agenda, or what Ralph Miliband (1980) called “class war conservatism” (see Smith, 1995). We show how the ongoing global economic crisis and the apparent need to reduce the public budgetary deficits incurred by the measures to recapitalise the banking sector are being operationalised by Conservatives within the Coalition as an opportunity to complete the unfinished neoliberal revolution started over three decades ago. We firstly revisit the main ideological contours and materialist drivers of Thatcherism, and discuss the centrality of housing privatisation and related welfare restructuring to this project. We argue that although New Labour embraced and pursued this broad marketisation agenda, neoliberalism’s growing class and political contradictions and the wider capitalist crisis frustrated and fragmented the privatisation project, forcing the possibility of a revived if still residual social housing sector back onto the political agenda by 2009. We then argue that in England this door to a new post-neoliberal housing direction has been slammed shut by the return of class war conservatism, with similar if more uncertain implications for the rest of the UK. Housing policy is being used as a strategic intervention to unblock and expand the market, complete the residualisation of social housing and draw people into an ever more economically precarious housing experience in order to boost capitalist interests.
Remembering Thatcherism and the New Right

The Conservative Party’s 1979 election victory under Thatcher marked the historical point of rupture with the social democratic class compromise. Drawing on Gamble (1988), we see Thatcherism as a hegemonic project operating simultaneously in the realms of ideology, politics and economy with three overarching aims: first, to unite the factions of the “New Right” and restore the political dominance of the Conservatives (Levitas, 1986); second, to replace the post-war consensus with a “new conservative” common sense (Miliband and Panitch, 1987); and third, to restore “the conditions for profitable capital accumulation” through restructuring the British economy and attacking trade union power (Gamble, 1988: 24). Thatcherite philosophy held to two core doctrines: a pragmatic application of “neo-liberal” faith in the moral and economic superiority of competitive markets, price signals, individualism and consumer choice over state intervention (Friedman, 1962; Hayek, 1960); and neo-conservative concerns about the breakdown of “traditional institutions” (the family, law and order, private property and the Christian church) and “traditional values” (patriarchy, hierarchy, self-reliance, hard work, discipline) at the hands of collectivism and the welfare state (see Scruton, [2001] 1980). Believing in both “the free economy and the strong state” (Gamble, 1988) was an entirely logical, contingent form of what Harvey (2003) calls “accumulation by dispossession” when understood within the context of a profound global capitalist crisis and the specific implosion of the Fordist regime of accumulation based on mass production and consumption, national economic management of aggregate demand, and collective wage-productivity deals between capital and labour. State power and other governmental technologies were needed to “roll-back” the class compromises of the Keynesian welfare state and “roll-out” new opportunities for capital within a wider reimposition of market rule, competition and the law of value into increasing areas of
economic and social life (Peck and Tickell, 2002). This was what Miliband (1980) meant by “class war conservatism”.

During the 1980s and 1990s, class war conservatism’s unique blend of “authoritarian populism” (Hall and Jacques, 1983), free market zeal and a new post-Fordist strategy for accumulation was implemented through a distinctive set of policies and accompanying discourses, partly sketched out during the 1970s by New Right think tanks like the Institute for Economic Affairs (IEA) in preparedness for the onset of “crisis” (Klein, 2007; Tickell and Peck, 2007). Rolling-back the state meant privatisation of nationalised industries and assets, business deregulation, an assault on organised labour and historic gains in workers’ rights and conditions, cuts to services and social security, the gradual removal of barriers to private sector delivery of public services, and the creation of deregulated tax-free planning zones to channel speculative investment in the built environment and unleash a gentrification-led restructuring of city centres and inner city housing markets (Smith, 2002: 443). These destructive measures were accompanied by “new modes of regulation, new regimes of governance, with the aim of consolidating and managing both marketisation and its consequences” (Tickell and Peck, 2007: 33) such as the reorganisation of local government through marketised governance approaches like competitive contracting out, performance league tables in education and health, and public-private-partnerships (PPPs). Public bodies were forced to compete or lose out, and “individuals and their families” were exhorted to become more entrepreneurial and self-reliant while viewing a cast list of social miscreants (the unemployed, welfare claimants, single mothers, homeless beggars and council tenants) as responsible for their and the “nation’s” own problems.

**Housing Privatisation: the Unfinished Revolution**
Confrontation with the trade union movement often dominates collective memories of Thatcher’s Britain, but privatisation of housing was undoubtedly a central foundation to Thatcherism’s strategy for hegemony (Hay, 1992). Although social and economic trends driving the “residualisation” and “privatisation” of public housing were already well established (Forrest and Murie, 1983), Thatcherism heralded the proactive application of an ideological class project to re-commodify the social relations of housing per se within a wider context of economic and welfare restructuring. This project can be traced to the unsuccessful efforts of Heath’s Conservative Government (1970-1974) to marketise council housing rents (see Sklair, 1975), which prefigured an ideal-type private market system devoid of government subsidy, intervention or planning controls with the vast majority of people owning their own home and the state guaranteeing an “ambulance service” for the genuinely “weak” (Harloe, 1978). Achieving this vision required the spread of individual property rights through privatising the public rental stock and the development of a policy discourse in which individual self-reliance and private market provision were constructed as morally and economically superior to provision by the state (King, 1998), demonstrated by Thatcher in the Daily Telegraph:

Conservatives believe that the right way to meet our housing needs is to spend money on helping more and more families to become home owners rather than to subsidise them indefinitely as council tenants… three families can be helped towards home ownership at the same cost to public funds as it takes to keep one family in a council house… Council housing creates its own demand. It can also create homelessness and bad housing. For one man’s subsidy is another man’s penalty (Thatcher, 1974).

If slaying the demonised figure of state housing (and the council tenant) was a clever mechanism for unifying libertarian and authoritarian currents in the Conservative Party and
making the first major incursion into the welfare state (Cole and Furbey, 1994), it was also fundamental to Thatcherism’s “re-capitalisation of capital” strategy (Miller, 1978) and addressing specific class contradictions in the structures of housing provision. Mass decommodified housing at the point of consumption might have been previously necessary for enabling social reproduction and providing profitable opportunities for certain sections of capital (construction and finance) (Ball, 1982), but in the context of capitalist crisis it now presented barriers to accumulation by removing certain aspects of social life from market provision, diluting the disciplinary role in the workplace of rents and mortgages for millions of workers and ideologically embedding popular expectations of public services and welfare rights (Forest and Williams, 1984). Such barriers formed a frontier of new opportunities to help capital exit profit crises through re-commodification, placing previously socialised services and spaces within the opportunity realm of capital, and previously protected tenants within far less secure housing and labour markets.

In practice, as Hodkinson et al argue in the Introduction to this issue, housing privatisation has scaled multiple fronts in overlapping waves responding to the inherent contradictions of recommodifying housing relations. The first wave from 1979 to the mid-1980s focused on rolling back and residualising further the existing public housing stock in favour of expanding home ownership principally through offering discounted sales to sitting tenants under the Right to Buy (RTB) (Jones and Murie, 2006). The slowdown in this kick-started a second privatisation wave during the second half of the 1980s aimed at ending the “municipal monopoly” over social housing by enabling (read: cajoling) local authorities to dispose of single estates and entire stocks to mainly voluntary sector housing associations (Malpass and Mullins, 2002). Running alongside this was what Ginsburg (1989: 60) called “Rachmanism with tax breaks” – a systematic rolling back of rent and tenancy protections for private and housing association tenants alongside financial incentives to attract private
investment into the rental sector. After 18 years of Conservative rule, the impact of class war conservatism was devastatingly clear. Public house building had been virtually eliminated and a quarter of the existing stock privatised to former council tenants. At what Hay (1992: 59) called “the ‘micro’-level of hegemony”, the RTB won new working class voters for the Conservatives and undermined the Labour Party’s traditional electoral and municipal power, although the effect was geographically uneven having little impact on Scotland (Jones and Murie, 2006). It also increased the ideological attachment of people to home ownership, the private family unit, and the free market at the expense of the welfare state and class-based solidarity, and ultimately removed large numbers of people from direct political struggles with landlords, while simultaneously weakening one of the traditional power bases of “municipal socialism” (see Ginsburg, 1983, 2005). The contradictions of this recommodification agenda were felt in the housing market collapse of the late 1980s and early 1990s and the explosion in homelessness and families living in temporary accommodation, with the number of households officially accepted as unintentionally homeless tripling from 53,000 per year in 1978 to nearly 149,000 by 1991 in England alone, the tip of a much larger hidden homeless population (Smith, 1995). The Conservatives’ response was to shift responsibility and punish the victims of its privatisation policies through the 1996 Housing Act, which effectively tore up the 1977 Homeless Persons Act, replacing homeless persons’ legal right to permanent accommodation with temporary housing for up to two years in either hostels or specially leased accommodation in the private rental sector, and narrowing the eligibility criteria by broadening the definition of “intentional homeless”, re-defining homelessness as “rooflessness”, barring asylum seekers and other migrants and refusing to make the young a priority group (Driscoll, 1997).

Despite its historic links to council housing and the tenants’ movement, the Labour government continued the neoliberalisation process, pushing along marketisation processes
set in train, or introducing new market-based solutions to address the contradictions of previous neoliberal policies. The Labour Party, after all, had itself been transformed under class war conservatism, from the party of the social democratic welfare state, to the avowedly pro-capitalist, business-friendly “New Labour” whose “third-way” politics under Blair rested on a fundamental acceptance of the basic neoliberal precepts of competitive markets, labour market deregulation, workfare, property ownership and consumerism (Jessop, 2003). In line with Blairism’s deep antipathy towards municipalism à la New Right, the focus of Labour’s privatisation policy was on accelerating the demunicipalisation of social housing through “stock transfer” to housing associations, and expanding the role of private providers and finance (Ginsburg, 2005). Nevertheless, demunicipalisation was met with growing opposition, often led by the Defend Council Housing campaign (Daly et al, 2005), and this was certainly a contributing factor behind the shift in New Labour’s housing policy in England with the creation, after 2000, of a “third option” in which approved local authorities could borrow to finance modest decent homes improvements if they set up “arms-length” management companies called ALMOs to take over day-to-day management of council housing (DETR, 2000) while simultaneously acting as vehicles to facilitate future privatisation if desired (see Hodkinson, 2011).

By the mid-2000s, Labour’s housing policy based on a booming private housing market without government action to ensure sufficient supply of new homes, and an ever shrinking, marketised residual social housing sector, had contributed to another affordability crisis. Rather than a policy of investment in a new generation of council housing, as demanded by four successive Labour Party conferences between 2004 and 2008, New Labour once again looked to market orthodoxy, implementing the recommendations of the Barker Review in its 2007 Housing Green Paper to further liberalise the planning system and release public land to help the private sector build 3 million new homes by 2020 (DCLG, 2007). This
market-based solution was torpedoed by the global financial market failure in 2008 in which toxic mortgage debt played such a decisive part. With the crisis in full swing, Labour’s decade-long assault on council housing showed signs of détente amid a sudden willingness to give local authorities a more direct role in filling the supply vacuum. This was followed by government proposals to allow local authorities greater budgetary control over their housing, raising hopes that councils would be able to borrow against their rental streams and build new council housing on land they already owned (as well as grave fears of significant financial and political risks to local council housing from the removal of a national subsidy system – see Smyth, 2010). After a decade of continued neoliberalisation and a further fall in the UK’s social housing stock (DCLG Live Table 101), this was a tiny shift, but on the eve of the 2010 General Election it nevertheless opened up new political possibilities previously thought lost (Malpass, 2005).

Housing in the ‘Big Society’: Completing the Neoliberal Project

Against the backdrop of economic crisis and looming austerity, the Conservative Party entered the 2010 UK general election campaign as clear favourites after 13 years out of power. In a striking departure from previous negative campaigning, they adopted a “can-do” discourse of social change and popular empowerment, sugar-coating their agenda for “public spending control” with the compassionate, one-nation rhetoric of “we are all in this together” (The Conservative Party, 2010: 2). Alongside their promise not to “allow the poorest people in Britain to pay an unfair price for the mistakes of some of the richest” (ibid: 6), they returned to a familiar theme, blaming the “big government” approach of Labour for the country’s social and economic problems, and vowing instead to use the power of a re-imagined “smarter” state to focus on “empowering and enabling individuals, families and communities to take control of their lives” – to actively help create what Cameron called the
“big society” (Cameron, 2009a). Rather than being simply the antithesis of “big government”, the big society sought to redefine the relationship between citizens and the State based on a rethinking of “what the State does for us” through public sector reform, promoting local community empowerment as a celebration of “what we do for ourselves”, and encouraging philanthropy based on “what we do for others” (Clark, 2010).

The subsequent 2011 Localism Act – the main legislative instrument of the big society – should be understood against the Conservatives’ failure to win an outright majority and the need for policy compromise with the Liberal Democrats. Covering mainly England and Wales (with some isolated implications for Scotland and Northern Ireland), Localism sets in train radical reform of town hall services, the planning system and housing policy in ways that allow the Conservatives’ “big society” vision of privatisation and charity-based welfare to cohere with the Liberal Democrats’ priority for democratic reform and populist slogans against “big government”. Localism ostensibly brings new freedoms and flexibility for local government based on a principle of subsidiarity with powers devolved from central authority to the lowest practical level with more emphasis on directly-elected Mayors and the relaxation of rules on “pre-determination” to allow councillors to take a more “active” role in local decisions, including planning applications. Localism is not voluntary, however, as a vaguely defined “duty to cooperate” with each other and other interested parties is imposed on local authorities. Through the “Open Public Services” agenda, aimed at increasing “individual choice” by opening up the provision of public services to non-state actors, including public service users themselves, local communities will be given enhanced rights and powers including the ability to “express an interest” in running public services, a “right to bid” for community assets such as pubs or post offices threatened with closure, and the power to trigger referenda on local issues, including the potential to veto Council Tax increases. Planning “red tape” will be replaced by local control over local development through
measures such as the “community right to build” – permitting groups of local people to build housing if they have the support of a majority of local people – and the “community right to reclaim land” – extending existing public powers to challenge public sector landowners to sell unused or underused land (HM Government, 2011). Localism is supposed to mean a streamlined and simplified planning system, including the abolition of “top-down” regional planning strategies, Regional Development Agencies and local targets for new housing, with neighbourhoods empowered to draw up development plans and have a “right to build”, but with an over-arching presumption in favour of “sustainable development”.

Putting the many philosophical and practical problems of localised societal participation to one side (see Carolan, 2012; Dawson, 2012; NEF, 2010), the convenience of a political message suggesting people take more responsibility for providing for themselves and their neighbours at a time of massive public spending cuts is striking (Kisby, 2010). Indeed, the big society and the Localism Act can be viewed as a “Trojan Horse” intended to accelerate privatisation and corporate takeover in the interests of a revived class war agenda. This can be seen firsthand in the Coalition’s housing welfare policies laid out in the November 2011 Housing Strategy for England (HM Government, 2011; see Chartered Institute for Housing, 2011a for full briefing). The housing crisis is portrayed foremost as a crisis of individuals’ frustrated “aspiration” to own their homes. “Aspiring homeowners” cannot afford to buy because house prices have outgrown incomes; more recent homeowners’ aspiration to “trade up” to larger properties is denied by, among other things, negative equity caused by falling house prices; and established homeowners’ aspiration to remain in their homes in old age, or trade down to more suitable accommodation, is denied because of limited choice in the housing market (HM Government, 2011: 1). What appears as classic “market failure”, however, is side-stepped by a blame game that resuscitates the familiar “bogeymen” of class war conservative politics as chief culprits, namely the planning system,
state welfare, social housing and an immoral “underclass” of benefit claimants, tenants, squatters and the homeless.

‘Unblocking’ the housing market, protecting property

The lack of affordable homes to buy is blamed on Labour’s policies of “central planning, top-down targets and bureaucratic structures” (ibid: 3), which have placed a stranglehold on private house building. The Coalition, in contrast, will “work with the grain of the market” by removing the burden of regulations and rules to support capital accumulation, labour market mobility and individual “choice”:

A freer, more responsive housing market can play a major role in delivering economic growth…

The availability of housing in the right places means the supply of workers to firms where they are needed most – in areas of high economic growth and high labour demand (ibid: 2).

The Coalition has introduced a number of measures intended to “unlock” the housing market in England and continue the debt-based model of the past. Aspiring home owners in social housing will benefit from a revived Right to Buy (RTB) with discount caps raised from £38,000 to £75,000. Other first-time buyers will be helped to buy new build homes through equity loans or 95% mortgages backed by a state-guaranteed indemnity fund for mortgage lenders to recover losses in the event of repossession. Developers can tap into a new £400m Get Britain Building Investment Fund aimed at getting 16,000 homes built on stalled sites, and take advantage of “build now pay later” options to develop 100,000 homes by 2015 on “surplus” public sector land. Longer-term changes focus on replacing the existing statutory planning system by a streamlined “National Planning Policy Framework (NPPF)” that favours local development and abolishes targets for regional house building and brownfield
redevelopment, as well as local authorities’ obligation to exact affordable housing contributions from developments over a certain size. The potential for increased obstacles to new housing from greater localism is partly assuaged by the New Homes Bonus, launched in August 2010, whereby government match funds the Council Tax on every new home built or empty home re-used for 6 years. Alongside this support for home ownership and house building, the government is pushing for institutional and corporate investment in the private rental sector. The 2011 budget cut Stamp Duty tax for large-scale purchase of homes and the 2012 Finance Bill contains reforms to Real Estate Investment Trusts (REITS) that provide tax breaks for speculative institutional investment in the housing market, particularly the private rented sector. Market libertarian influences are evident in the revival of 1980s-style Enterprise Zones where regulations and tax rules will be relaxed in the hope of attracting property developers. Despite the government’s rhetoric on bringing England’s 700,000 empty homes into use, local authorities’ powers to take action have been significantly diluted, while squatting in empty residential homes has been criminalised under the 2012 Legal Aid, Sentencing and Punishment of Offenders Act (SQUASH, 2012), making transparent the government’s prioritisation of protecting property owners over the homeless.

**Cutting housing welfare support**

The second driver of the housing crisis in the Coalition’s eyes is the housing benefit system, which is portrayed as “out of control” across the UK and unsustainable to the public purse due to a 50% real terms increase in housing benefit expenditure between 1999/2000-2010/2011. This growth is blamed on the housing benefit system itself operating in the private rental sector – called Local Housing Allowance (LHA) – for chasing up rents and in turn benefit payments. In reality, the growth in both claimants and expenditure merely reflects the impact of the recent economic downturn on working households combined with
the long-term effects of rent decontrol, house price inflation, and the shortage of social rented housing (Diacon et al, 2010). Such inconvenient truths explain why the government has focused on constructing a mythology of unfairness about housing benefit claimants being able “to live in accommodation that ordinary working families could not afford” (HM Government, 2011:50). On 27 October 2010, Cameron evoked this mythology in response to the Leader of the Opposition’s concerns about the unfairness of a proposed national cap on housing benefit payments that could make people homeless:

The key change that we are looking at is the £20,000 cap on maximum housing benefit claims. Is the right hon. Gentleman really saying... we are happy to go on paying housing benefit of £30,000, £40,000 or £50,000? Our constituents are working hard to give benefits to other people to live in homes that they themselves cannot dream of, and I do not think that is fair... If we are prepared to pay – as we are – £20,000 in housing benefit, there is no reason why anyone should be left without a home (Cameron cited in HC Hansard 2010b).

Not only does the DWP’s own commissioned research show that private sector housing benefit claimants do not enjoy better or more expensive housing than low income working households (Walker and Niner, 2010), but official statistics show that of the 4.79 million housing benefit claimants in October 2010, just 139 families – all in London – were receiving over £50,000 and only 4% of the total – all again in London – received more than £20,000 a year (Ramesh, 2010). Creating the impression of only targeting extreme payouts has deliberately masked radical reforms to much of the housing benefit system. From April 2011, private sector claimants have not only seen their weekly payments capped nationally at £400 regardless of actual household size, rent or location, but also their choice of accommodation from the bottom 50th of local private rents to the bottom 30th of the market. From April 2013, this choice will reduce further as LHA payments are linked to the Consumer Price
Index (CPI). London will be worst hit with the likelihood of “mass displacement” from the inner to outer boroughs (Fenton, 2011; Hamnett, 2010) but by 2030, 60% of English local authorities could be ‘very unaffordable’ to LHA claimants (Chartered Institute for Housing and Shelter, 2011). Large families, single people aged between 25 and 35, households with non-dependant adults (regardless of sector) and working-age claimants in social housing deemed to “under-occupy” their home have been targeted for additional housing benefit cuts. Overall, 100,000 households will lose more than £30 a week (DWP, 2010a, 2010b; 2011a).\(^1\)

Although political pressure and Liberal Democrat opposition eventually blocked proposals to reduce housing benefit entitlement among social housing claimants unemployed for more than 12 months, from April 2013, 50,000 households are expected to lose on average £93 a week from a weekly household benefit cap on “out-of-work households” and couples working up to 23 hours a week. Should these households’ income from benefits breach the cap – set at £500 for couples and lone parents and £350 for singles – then their housing benefit entitlement will be reduced until the cap is met (DWP, 2011b).

Such cuts and caps will inevitably lead to increased arrears, homelessness, threatened evictions and greater overcrowding, with people forced to move home or even borough in search of cheaper lower quality accommodation, large families forced into overcrowded housing conditions and single people aged 25-34 years old forced into shared accommodation (Chartered Institute for Housing, 2011b; Crisis 2011). As Fenton (2010: 29) argues, low income and poor households will find the only rented housing they can afford will fall below “basic common standards of decent housing”. These reforms raise the imminent spectre of mass homelessness, which might explain the Coalition’s decision to end statutory homeless people’s right in England to a lifetime social housing tenancy by allowing local authorities to force them to accept private sector accommodation for a fixed term of at least 12 months. As we write, there is a growing political furore over plans by some London local authorities to
effectively “outsource” some of their homeless to social housing providers in northern cities and towns like Hull and Stoke-on-Trent because of accelerating rental values in the private sector and growing waiting lists in the capital (Ramesh and Walker, 2012).

*Reforming social housing (again)*

The third and most significant demon to be slain is the social housing system and its population of “lifelong renters” (HM Government 2011: 2). Despite the enormous growth in social housing waiting lists since 2001 to 1.8 million households (4.5 million people), the Coalition wants to shift the public’s focus on to the apparent failings and unfairness within the social rented sector as the main cause of pent-up demand. Inflexible allocation policies have allowed tenants to “under-occupy” their homes and anyone “regardless of need” to register and subsequently access secure lifetime tenancies and “subsidised” rents (ibid: 21). A picture is painted of a system rife with abuse, whereby existing property owners and well-off tenants are clogging up homes they don’t need, or illegally sub-letting, while social housing tenants are trapped in welfare dependency by their tenure:

The system can also fail the people it is intended to help. There is a relationship between social housing and disadvantage that is often seen as a block to social mobility. Too many people are effectively trapped – lacking incentives to work, and often unable to move even if they want to (ibid: 22).

In an allusion to the Victorian concept of the “deserving poor”, those currently locked out of social housing are constructed as in greater “genuine need” such as Armed Forces personnel and their families who “put their lives at risk for the defence of our country” but have not “always received fair and proper treatment in the allocation of social housing” (ibid: 52). The
tactic is identical to the 1960s anti-council housing media campaign waged by *The People* and other right-wing newspapers with their portrayal of the “Jaguar-driving council tenants” living off the taxpayer when they could “afford” to buy (Jacobs et al, 2003). Official statistics tell a very different story with around 90 per cent of new social housing lettings going to households deemed in need (DCLG, 2010). Even if true, claims of at least 50,000 social homes unlawfully occupied and 6000 social tenants earning above £100,000 a year amount to just 1.4% of the entire social housing stock, or 3.1% of the current waiting list (DCLG Live Table 104). The notion that social tenants’ low rents are “subsidised by the taxpayer” (HM Government 2011: 21) is also a deliberate obfuscation. Not only do all housing tenures rest on some form of state support (as the Coalition’s financial package to boost the housing market proves) but a recent Parliamentary report showed council housing has been a *net contributor* to the public purse for many years (HOCCHG, 2009). Deliberately misrepresenting social housing as the *only* subsidised tenure underpins the idea that “under-occupancy” is a social housing problem when official statistics show the phenomenon is far more acute in both the private rental and owner occupier sectors (DWP, 2011b). It also underpins the Coalition’s tactic of associating social tenants with “scroungers” and its insidious discursive device of *causally* linking social housing tenure to social disadvantage when a key aim of class war conservatism was to ensure only households with the most acute social disadvantage could acquire a social housing tenancy within an otherwise privatised housing system.

This stigmatisation of social housing reached new revanchist depths after the 2011 summer riots when a generalised reaction against the disorderly urban poor rapidly gave way to a specific attempt to link the riots to council housing in particular, with several local authorities stating their intention to evict tenants associated with the unrest. Although the legality of evicting rioters or their families was questioned from the outset and to date, no
evictions have taken place, the significance of this episode lies in the mobilisation of a series of symbolic narratives that complement wider attempts to reconceptualise the place of affordable housing in social policy as captured by Cllr Glanz, Conservative housing cabinet member at Westminster City Council:

Social housing isn’t a right, it’s a privilege and if people abuse that privilege then in common with anyone else they should face the consequences. Families have to take responsibility for children living in their households, and we have a responsibility to our communities at large. Many people living in these communities are playing by the rules and were not involved in criminal activity over the last few nights. They wouldn’t want to live next door to people who are getting away with bad behaviour and enjoying the privilege (Glanz cited in McCann, 2011)

The re-framing of social housing as a privilege for the deserving poor reveals the ideological nature of the Coalition’s radical cuts and reforms to social housing. Using the cover of austerity, the affordable housing budget for 2011-2015 has been nearly halved compared to the previous four years (down from £8.4bn to £4.5bn) with the majority of this reduced pot already committed under the previous government’s housing stimulus programme. This funding gap has been instrumentalised to effectively abolish the existing social rented housing model in favour of a new “Affordable Rent” tenure where new homes built with much reduced public subsidy (down from 40% to 20% on average) will be let at up to 80% of local market rents with flexible tenancies of at least two years instead of secure lifetime tenancies (Homes and Communities Agency, 2010). Accompanying reforms mean Affordable Rent will move from the exception to the rule in the social housing sector. Local councils and housing associations can convert a proportion of their existing stock to Affordable Rent and capital receipts from the revived RTB scheme will also be recycled into the Affordable Rent programme, meaning that secure, low-rent social homes will be
gradually replaced by far more expensive, insecure properties (see Shelter, 2011) with dire implications for low-income tenants in London (London Assembly, 2011).

The Localism Act goes even further in transforming social housing into a *conditionalised* temporary tenure by abolishing future tenants’ statutory right to a secure lifetime tenancy and empowering social landlords to restrict access to housing waiting lists on grounds of “need”, offer time-limited tenancies for a minimum of two years (albeit with guidance that less than five year terms were to be for “exceptional” circumstances), give priority to service personnel and their families, and widen the grounds on which landlords can seek to evict tenants for anti-social behaviour including whether they or members of their household have been convicted of the sort of criminality seen in the recent rioting. “Under-occupying” social tenants of working age across the UK will lose around 14% of their housing benefit for one surplus bedroom and 25% for two or more “surplus” bedrooms – 70,000 households will lose more than £20 per week (DWP, 2011b). The government claims this is about fairness by ensuring the “state does not pay for spare rooms” while encouraging social tenants to downsize so as to free up larger homes for “people living in overcrowded conditions or who are on the waiting list to access appropriate social homes” (HM Government, 2011: 51). However, due to the shortage of social housing, these so-called “under-occupiers” could be forced out of their secure homes and into the private rental sector.

**Conclusion**

To argue that housing and welfare policy under the Coalition Government represents the return of class war conservatism suggests a clear break from the recent past. In some respects this isn’t the case as the issues discussed here form part of a policy continuum that extends back at least four decades with the Coalition continuing the broad direction of travel New Labour, just as they took over where Thatcherism left off. This is particularly true of social
housing sector reforms in England and Wales, which will decisively change social housing from a tenure offering a secure home for life to one that acts as a temporary safe house for tenants on their way to other tenures, with landlords empowered to move tenants in and out more easily. As we write, the government is planning to consult on plans to force households in social housing earning above £60,000 to “pay to stay” by paying higher rents (Lloyd, 2012). Despite the historic differences in housing policy the Coalition has thus taken the UK even further towards the US model of a tenure of last resort (“the projects”) that exists at the stigmatised margin of mainstream political discourse, a spectre recognised by Cullingworth (1979) in the late 1970s, but apparently invisible to policy makers ever since (Stone 2003). Continuing to call this “social housing” is mere sophistry: by abolishing the historic link between subsidy and building costs that kept social rents well below private rental levels, and ending legal protection for security of tenure, these reforms mark the death of social rented housing as we knew it. We are not just witnessing a continuation of neoliberal policies but a radical intensification of their logic wrapped up in a far more overt class politics. Regardless of tenure, renting housing will be more expensive than ever before, less regulated and more precarious for all tenants. Such a strategy works hand in glove with welfare reform that will gradually expel 100,000s of low income households out of their neighbourhoods into cheaper, lower quality housing in areas where employment is impossible to come by, paving the way for a new wave of gentrification that will further enrich property owners. Such measures will only worsen the real housing crisis – the expansion of insecure, unaffordable housing, overcrowding, and rogue landlordism – but that is precisely the outcome desired by the class war conservatives in the Coalition as they seek to shore up private property and attack housing protections and rights so as to discipline the working class into working harder, faster, and longer for less pay. This class warfare only furthers the contradictions in the housing market and explains why the government is so keen to boost the private rental
sector by beefing up private property rights, weakening tenants’ (and squatters’) rights and unlocking huge swathes of public land for low-risk development. While apocalyptic predictions of the death of the Welfare State have often proved exaggerated, the multi-faceted onslaught against state-involvement in housing provision, taken together with sweeping reforms of the NHS and benefits system as well as other areas of public services, suggest we are witnessing a generational shift. Not only does this agenda affect the poorest and most vulnerable in society, but it will almost certainly swell their numbers, making a lie of the Coalition’s pledge not to make the worst off pay for the actions of the rich. If so, a crucial factor will be the sporadic and conditional opposition that has been presented to the Coalition policies by the Labour opposition and the trade union movement, where it has been difficult to avoid the impression of a mixture of resignation and tacit agreement to the justification of cuts in the face of the financial crisis. More hopefully, it is realistic to believe that these policies could be weighed down by their own contradictions. Within this context, not only will housing and tenant campaigns be crucial, but so too will the role of academics in critically dissecting the purpose, mechanisms and effects of these policies as well as offering intellectual resources to help nourish the creation of alternative policies and paradigms.

References


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1These changes were introduced for all new LHA claimants after 1 April 2011, but existing claimants prior to this date were given an additional 9 months ‘transitional protection’ from the anniversary of their claim for the majority of changes, meaning that the full scale of the cuts will not be known until after 2012.