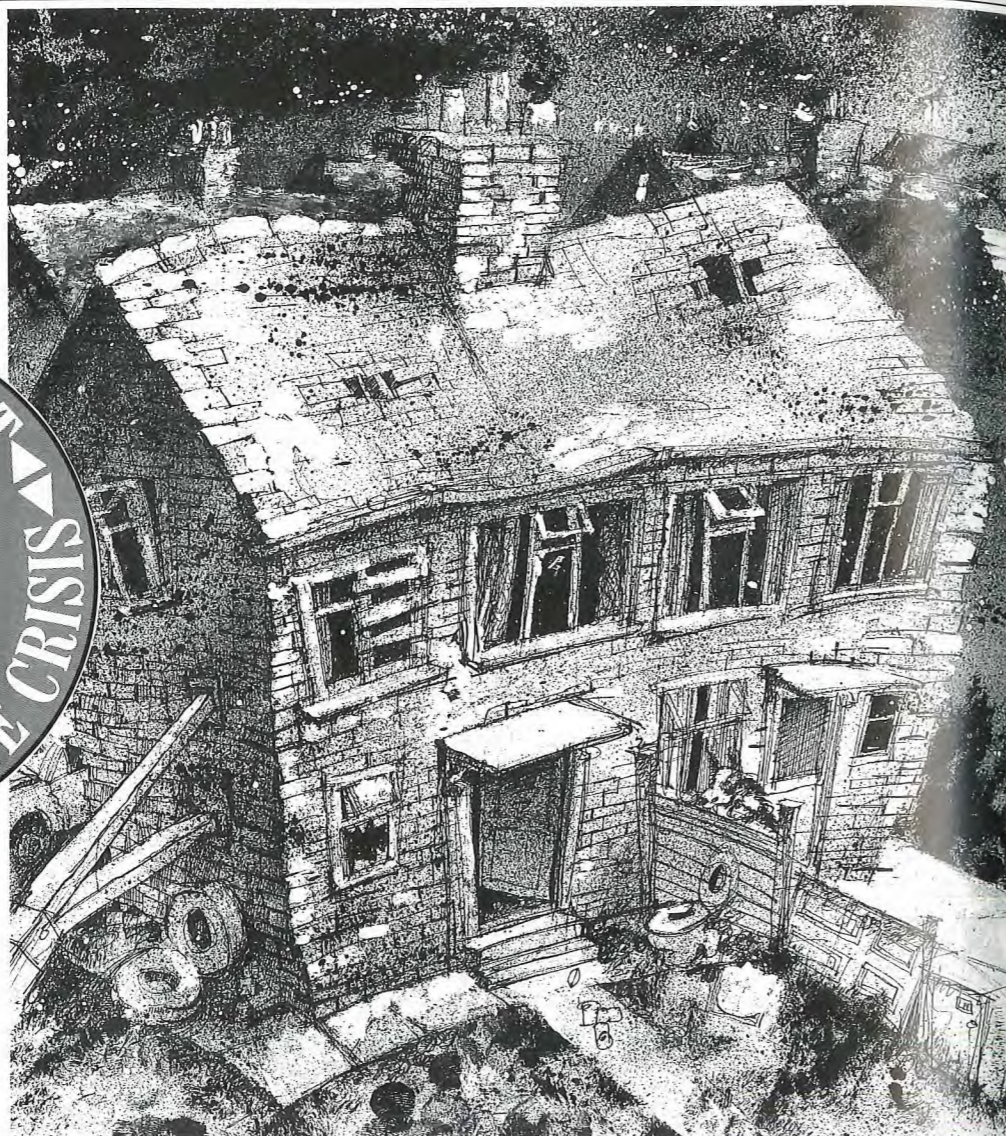


STOPPING THE ROT  
COUNCIL HOUSE CRISIS



# State of decay

Council houses throughout Britain are going to rack and ruin, concludes an Audit Commission report released yesterday. The backlog of repairs is £8.5bn and the commission predicts it will almost certainly get worse, further hampering efforts to regenerate cities. Alastair Stewart reports.

BRITAIN'S 4 million council houses are in an ever worsening state of disrepair, according to a report released yesterday by the Audit Commission.

The independent body, which monitors local authority accounts for fraud, inaccuracy and poor value for money, has just published the findings of two years' research. *Developing Local Authority Housing Strategies* labels local authorities as inefficient and accuses central government of leaving councils "ill-resourced". Its conclusions coincide with the start of a wide-ranging DOE survey of the state of private and public housing stock (see opposite, top right).

Commission inspectors estimate there is an £8.5bn backlog of local authority housing repairs throughout England and Wales. This is better than 1985's £13.5bn shortfall (at today's prices), but unless urgent action is taken it will rise over the next two years as local government capital expenditure falls and council stock ages. So what needs to be done? For a start, local authorities could improve their assessments of which homes are most in need of repair, so they could target their limited resources most efficiently. Central government, too, needs to pull up its socks by providing councils with a better national strategy and more

## KEY PROPOSALS

*Developing Local Authority Housing Strategies* has three main aims: identifying the demand and need for council housing; repair and maintenance of council stock; and renovation of private sector stock.

It recommends that local authorities:

- undertake a systematic reappraisal of their housing role and those of other housing agencies
- set comprehensive objectives, establish priority action for all tenures and make best use of existing stock
- develop suitable relationships between departments and with external bodies
- identify skills and training requirements for an effective strategic role.

The report also calls for:

- the DOE and Welsh Office to prepare projections of the need for social housing, using the results from the 1991 census
- both departments to prepare model survey packages to encourage soundly based estimates of local need
- the DOE to enlarge the sample size of its five-yearly house conditions survey to provide estimates of stock conditions at an individual local authority level for the larger housing authorities
- the DOE to consider the creation of a single channel for the allocation of resources to housing associations and local authorities.

Government introduced better surveys and projections of national and regional housing need. But it concludes that to close the gap altogether is merely a dream: "The improvement of incentives in present subsidy regimes will help but will not solve the problem. Within the imperfect environment local authorities must do their best, aware that it will not be enough."

Local authority maintenance expenditure peaked at £5bn a year in 1989-90 as councils rushed to exploit a loophole in the Government's capital receipts rules before legislation removed it (see graph below). (Authorities can spend only 25% of capital receipts from council house sales on new building, but until 1989-90, repairs were excluded from the rule.) Since 1989-90 capital receipts have fallen and next year councils' capital income is projected to be almost £1bn less in real terms than levels during the mid to late-1980s. If this is not made up the £8.5bn backlog of repairs will rise further.

Doug Edmonds, the commission's associate director for local government studies, who led the study, says: "The backlog is certainly not going to get any smaller unless councils raise rents significantly."

The commission estimates that a weekly rise of £5 a household would be needed just to close the near £1bn annual shortfall, but higher rents are likely to be resisted by local authorities.

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## DOE investigates 25 000 homes

EVERY FIVE years the DOE commissions a report into the state of England's private and council housing. When 225 DOE-appointed surveyors publish their findings next year their report will be the only indication of where central and local government should target resources.

The *English House Condition Survey* started last October and will continue through most of this year. Some 25 000 of the country's 19 million dwellings will be investigated at a cost of £2.2m. Local environment will be assessed, as well as a room-by-room survey of the houses to identify defects and facilities.

Half of the homes surveyed will be followed

The report's many recommendations stop short of advising the Government to spend more. Says Edmonds: "It is not for the commission to determine Government spending priorities. Also it is not for the commission to say who, local or central government, might close the gap in demand."

Up to 130 local authorities are believed to be examining large scale voluntary transfers of their stock to housing associations, with the incentive of private investment for improvements. But this is likely to happen slowly, says Edmonds.

up by interviews with occupants and landlords, while a postal survey of local authorities and housing associations will establish what is being done about the state of the stock.

Finally a value survey by district valuers will value 10 000 houses.

The 1986-87 survey estimated that 900 000 homes were unfit for human habitation. Under the Housing Act 1985, definitions of unfit include not being structurally stable, being in serious disrepair, having dampness prejudicial to health or inadequate facilities and supplies.

In addition, 460 000 lacked basic amenities, 2.4 million required urgent and essential repairs costing more than £1000.

Given the restrictions, both councils and government should be more efficient in targeting limited resources. They should begin by examining their own stock more comprehensively. Housing association and private sector partnerships will be increasingly necessary.

The DOE must take action to help this process by improving its ability to project housing needs.

"In England nobody knows the state of the housing stock," says Edmonds.

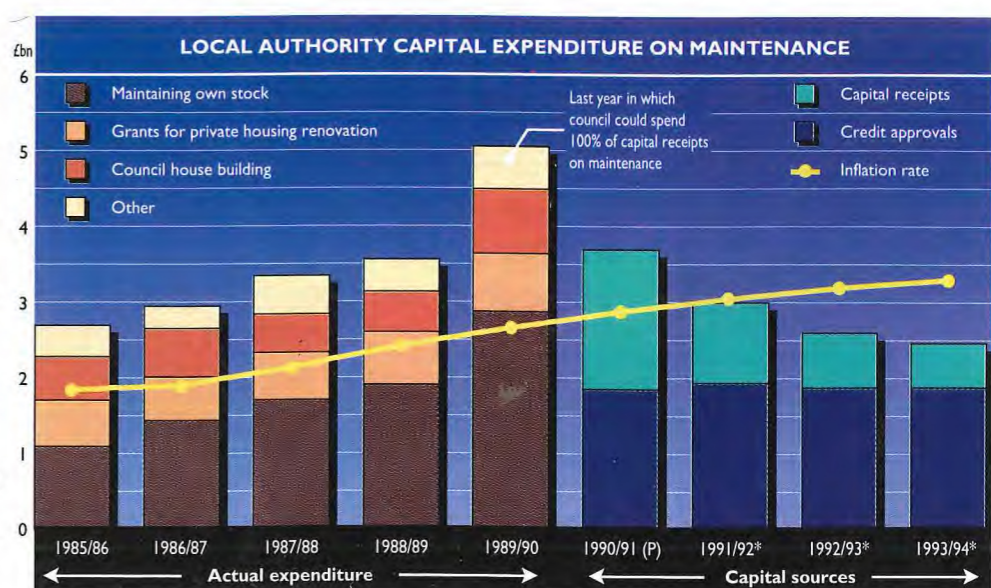
"Given the limits, the only way for any improvement is by a combination of efforts."

accurate surveys of housing conditions (see above).

But councils are fighting a losing battle, the 114-page report concludes. The commission says 60 000-90 000 homes must be built each year to meet needs at the low-cost end of the market. But the Housing Corporation will only provide 46 300-57 700 a year by 1994-95. That is roughly a third less than required.

Since council housebuilding has almost disappeared the task of making the existing stock habitable is now essential to the supply of homes.

The report says the backlog of repairs would be marginally reduced if councils became more efficient and the



P provisional \* forecast Source: Audit Commission