Blowing up the past - destroying the future

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In July 2011 I joined thousands of other Dundee residents gathered at key viewpoints to watch the grand demolition of four multis – or multi-storey housing blocks – that had dominated the city skyline for four decades. Turn away at the wrong moment, and you missed it. 440 homes were reduced to rubble in seconds. Dundee – an ex-industrial city rebranded as 'City of Discovery' – has, as one of its most successful companies, an award-winning demolition firm and the City Council has provided that firm with plenty of business. Since 1990, Dundee has demolished over 10,000 homes. We also have thousands of people waiting for social housing because they don't have adequate accommodation. Their house may be unfit to live in, or overcrowded, or they may be having to sleep on a friend's sofa. Most of the homes that have been destroyed were fundamentally sound, and if not up to current housing standards could have been made so at a fraction of the cost of building a new home. So what has been going on? Why and how is this happening?

First I should make it clear that Dundee is not unusual, it's just the place I know best. Across Scotland, between 1992 and 2009 a yearly average of 5,000 social homes were deliberately destroyed. That's around 1,000 more each year than the number that were built. And similar destruction has been taking place across the United Kingdom and beyond. These demolitions are the result of three decades of housing policies that have had the reduction of social housing as a fundamental aim.

The official justification for this has been that home ownership is a 'natural aspiration', but preference for ownership is actually a product of successive government policies that have favoured home owners. The real reason for the purge of social housing has been the neoliberal imperative to open every area up to market forces. The result, as we have seen, has been a much more unequal society; but that was the point. After the truce imposed by the post-war welfare consensus, elites have been fighting back. They have been fighting for a return to market freedoms – that is the freedom to exploit.

Over the last three decades, social housing has been under attack because it removes a significant section of the population out of the housing market, and because it occupies land – often prime sites – that neoliberal governments want to make available for private development. These governments have privatised publically-owned housing, with the tenants' Right to Buy removing millions of homes from the social-rented sector and constituting the biggest of all Thatcher's privatisations. They have introduced market mechanisms into the public sector and blurred public/private boundaries through the introduction of competitive outsourcing and through increased reliance on 'not for profit' companies at the

expense of public ownership. And they have promoted and subsidised large-scale state-lead gentrification.

In 1981 over half of all Scottish households (nearly 55%) lived in public housing. Now, a quarter are in social housing (14% in council housing and 11% in housing association homes), 65% are owner occupiers, and private renting (one of the most parasitic market relations) is on the increase. Social-rented housing in Scotland is at its lowest level in 50 years.

Despite all this, Scottish housing policy must appear enviably progressive to those living south of the border. While the UK Government is providing an exemplar of 'disaster capitalism' and using the economic crisis as an excuse to cut a swathe through the remains of the welfare state, the Scottish Government boasts of its social-democratic credentials. Housing is a devolved matter, and Holyrood has professed a new recognition of the importance and need for social housing. In Scotland, the Right to Buy is being curtailed; and our homelessness legislation (introduced by the previous Labour/Liberal administration) is the envy of the world.

However, exemplary housing rights are not much use if houses are not available. If the Scottish Government's renewed recognition of the importance of social housing is to move from rhetoric to policy, they need to understand and dismantle legislative structures that have been built up on assumptions of social housing reduction. I want to expose some of the policy structures that have been built into the system by neoliberalism.

A crucial tool in the reduction of social housing has been the 'Local housing need and affordability model' . The model was drawn up by academics at Heriot-Watt University at the behest of the Scottish Government, and the first version was completed in 2003. The mathematics are complicated, but it is not necessary to analyse these to discover the fundamental fault in the process. This lies in the basic assumptions that have been fed into the model. It assumes that households should not be eligible for social housing if they can afford anything within the private sector, even if that would leave them with an income little better than benefit level. And it assumes that the backlog of people inadequately housed has only to be met at the rate of 10% a year. In other words, the model has been deliberately devised to reduce social housing to a minimal safety net for the very poorest, who also (it seems) have to prove their need through a long wait. The model thus increases the residualisation and stigmatisation of social housing and forces slightly better off households into unsustainable mortgage debt or the insecurity and expense of private renting.

This is how the 2005 version of the model worked for Dundee. At that time 6,061 people were recorded as needing social-rented homes, almost half due to overcrowding and sharing. Using the 10% principle the model argued that this meant providing 605 homes a year. Applying the model's strict restrictions on eligibility

meant that this could be more than met by existing turn over. The conclusion: Dundee had a net social-housing surplus of 700 homes for re-let a year. The result: mass demolition. In Glasgow the figures were even more dramatic, converting a backlog need of 29,603 households into a yearly surplus of 4,590 re-lets, and resulting in demolition plans on a vast scale.

On top of this, the concept of 'low demand' has been used to replace real analysis of the causes of socioeconomic decline – and so, again, promote demolition. Councils justify demolition and decide which homes to demolish by finding homes for which there is low demand. However, the unpopularity of an area or a building is generally unrelated to the structure of the building itself, and more often due to a range of local, regional and national social and economic issues. Demolition does not address these issues; it just moves problems into different areas. And, of course, if housing is allowed to run down it will become less popular; while, conversely, demand for a house, as for any other product, will go up if that house is improved. This was dramatically demonstrated by the fate of two identical groups of multis in Lochee in west Dundee. One had been allowed to run down, and few bothered about its demolition. The other has been carefully maintained and still provides sought-after flats.

Councils want to justify their decisions by proving that the homes they plan to demolish are not wanted. This can be done through the well-tried technique – which has become a standard feature of neoliberal local governance – of stage-managed public consultation. In Dundee, the city council surveyed the views of the tenants whose homes they planned to demolish; but this was done very rapidly and without tenants being given any information, so the common assumption was that there was something wrong with the buildings and they would be provided with somewhere better. I worked with tenants in two multis at the top of the Hilltown (which have now been emptied ready for demolition next year). The council survey had found that 57% of respondents were in favour of demolition. Our survey, carried out by the tenants themselves after there had been time to discuss the real implications of the proposals, showed only 9% of respondents in favour of demolition, while 71% said they wanted to remain living in the buildings. Although this was reported in the local press, the council persisted in describing these homes as unwanted. Resistance is also reduced by incorporating independent groups into structures of governance. This allows an illusion of consultation and cuts across attempts at more critical organisation. The council-supported Dundee Federation of Tenants' Associations gave their approval to the Hilltown demolitions and refused to hear protests from the independent organisation of tenants who actually lived in the two multis.

A further crucial element in the drive towards demolition has been provided by fiscal rules and practises that are restricting 'joined-up' government and long term planning. Social housing is not given the money that is needed for it to run well and efficiently, and the funding that there is is skewed to encourage demolition and new-build, which is not best value for money and results in reduced numbers of

social homes. There is no government money for refurbishing housing that is already in the social rented sector; and, although housing associations can get grants for acquiring and refurbishing existing buildings, they have to pay VAT on repairs while new homes are zero-rated. There have also been grants given specifically for demolition.

When tenants and activists obtained the private consultants' report on which Dundee City Council was basing its decisions (which we had to get through an appeal under Freedom of Information legislation) we found that the consultants had calculated that large-scale demolitions of council housing would be hugely more expensive than repair and improvement. However, they assumed that the extra costs would be paid by the Scottish Executive (now Government) – and the report was used to *support* demolition plans. Although there are no more demolition grants, the council *now* argues that demolition is, in fact, intrinsically the cheaper option: demonstrating the malleability of long term financial planning, and also a deep resistance in the council bureaucracy towards policy change. And elected councillors dare not risk ignoring the conservative financial advice of their officers. Whenever we questioned the council's calculations, we were brushed aside; including when we got a large private contractor to cost the refurbishment of the multis, and they produced a figure that cut the council's estimate nearly in half.

The introduction of new statutory housing quality standards in the absence of any extra funding has also encouraged councils to demolish instead of investing in improvements. In addition, this has forced rent rises well above inflation, with serious impacts on household budgets. The new standards for insulation have been used to justify the demolition of buildings that don't comply; but when embedded energy costs are taken into account, then refurbishment to new insulation standards is almost always more energy efficient (as well as cheaper) than demolition and new-build.

The audit-based systems that now dominate all levels of government do not permit account to be taken of savings external to a particular department. Failure to invest in good social housing not only has costs for individuals, it has major financial implications for social work, health, education and policing. But there is no scope to consider any of this. Scottish councils have to run their housing like a separate self-supporting business. They are not allowed to transfer money from their general funds to housing, even though demolition of homes they can't afford to run will result in greater costs to other departments. Dundee tenants were told that high running costs were a major reason for demolishing the multis. Savings from dense multi-storey living have their effects outwith the housing revenue account, so can't be set against extra housing costs.

To sum up; if the Scottish government wants to show that it is serious in its support of social housing it will need to get rid of structures set up with the aim of reducing it. Specifically, it should: stop requiring councils to use the housing need model; investigate real causes of low demand and how to make areas and homes

more attractive; make money available for implementing improved standards; and stop considering housing finance separately from other expenditure. It needs to budget for investment in social housing refurbishment as part of a wider plan for social improvement. Without such changes, millions of pounds worth of assets and thousands of potentially good homes will just be destroyed.

We need social housing now for the same reasons as it was brought in in the past. The open market does not provide affordable decent rented homes or security of tenure. In addition, and the current focus on property ownership and property equity has served to increase disparities of wealth and opportunity. The importance of social housing goes far beyond meeting immediate housing need. Greater investment in social housing could provide a much-needed boost to the construction sector and allow space for a wider base of households in the tenure, benefiting both those tenants and their housing schemes. A more radical approach to housing policy that widened the availability of social housing and provided a level playing field between renting and owning could be an important step towards a more equal society. This may currently seem a long way off, but similar ideas have been put into practice in Sweden in the past. A progressive housing policy has a vital role to play in increasing economic stability and generating a fairer society.

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A version of this paper was presented to a workshop on housing policy at the University of Helsinki, 2 December 2011. A full-length article was published in the journal City *later this year.*