

Local democracy and council housing

*A series of government measures threaten to undermine local democracy and give developers and the big builders a free pass to step up their profiteering. The government's [Devolution White Paper](#) proposes imposing change on councils based on an arbitrary figure of 500,000 population. It is proposing to impose tenure blind housing targets on councils which are "[unrealistic and divorced from need](#)". It proposes to give more power to unelected council officers to decide planning applications without any democratic oversight. Having opposed the extension of conversion of offices and commercial properties to housing without planning permission, on the grounds that '[Permitted Development Rights](#)' has produced "poor quality/slum housing", the government is leaving them in place. **Martin Wicks** discusses the implications of all this for councils and for council housing.*

The Guardian editorial was right when it said the government's devolution proposal gives with one hand while taking away with the other. It "promises to empower local councils in England while simultaneously telling them what to do".

"But despite Angela Rayner's rhetoric about places "taking back control", the reality is that her white paper is light on carrot and heavy on stick. From a local government perspective, the most politically provocative measure is the promised abolition of district councils, which face being merged with counties to form unitary authorities. **This is a technocratic and cost-cutting move presented as modernisation.**" (Our emphasis)

The Devolution White paper says it "will empower communities to take back control from Westminster" but tells them that they have to be involved in some form of expanded authority. The proposal to create bigger authorities based on a population of 500,000 is a completely arbitrary figure which takes no account of geographical and social realities. District councils and unitary authorities are based in historical towns and cities with which the local population has an organic connection. Expanded areas which do not necessarily have any real connections will simply move the seat of power further away from more people.

Responding to the Government's English Devolution White Paper, Cllr Louise Gittins, Chair of the Local Government Association, said:

"We want every council in England to be able to secure devolution that works for them, their local economies, and their residents. While different areas will have strong views on what that should look like, genuine devolution of powers and resources can play a huge role in promoting inclusive economic growth, creating jobs, and improving public services. In a very centralised country, moving funding and power from Whitehall to local leaders is needed, but it must be done in a way where empowered councils and the communities they serve are at the heart of decision-making...

Reforms in this white paper will have a significant impact on every council and community. While our members are – and always have been – open to change, we remain clear that **local government reorganisation should be a matter for councils and local areas to decide.**" (Our emphasis)

However, as a [House of Commons Library paper](#) makes clear

"The final decision on a proposed restructure is made by the Secretary of State. A restructure does not require the affected councils to give formal consent. There is no mechanism for the public to support or oppose restructuring through a petition or a referendum (though referendums have been held in the past)."

The threat of a "final decision" over the heads of councils and the local population has been underlined by Minister of State, Jim McMahon. When discussing disagreement between councils on restructuring he told the Local Government Chronicle, "we will probably have to be the arbiter". So a proposal which is supposed to be about devolving power from Westminster could end up with Westminster imposing a 'solution' on local authorities regardless of local opinion.

"Diminishing local representation"

In this respect it's interesting to see the disagreements in Devon. Devon County Council has proposed a single county-wide unitary authority with no regard for any serious consultation. However, council leaders in Devon, including Labour led Exeter, issued a joint statement expressing opposition to the creation of a single unitary council, emphasising the risk of "diminishing local representation". They also opposed the postponement of the May elections which Devon County Council asked the government for. The

statement read:

"Our county, including Torbay, is diverse and is made up of nearly one million residents across urban, coastal, and rural areas. Any reform of local government in Devon should follow a period of proper consultation with residents, businesses, elected representatives, and stakeholders. Looking at the evidence, we should decide collectively what is best for our area....We do not support postponing the county council elections scheduled for May 2025. The government has indicated that this will only happen in priority areas that have clear and agreed plans. This is not the case in Devon, so we cannot be part of the first phase of these reforms."

The leaders also said they want to work "collaboratively" with neighbouring unitary councils. Unitary authority Plymouth City Council pulled out of the recent Devon and Torbay level two deal before it was finalised.

"Our objective must be to get this right for our residents and businesses. That cannot be achieved if we make rushed decisions that have not been given the serious consideration they deserve," the statement concluded.

Meanwhile, Leaders from Rutland CC and seven district councils across Leicestershire claim "credible alternatives" to a large-scale unitary council have not been considered by the county council. Plans for the creation of two unitaries were slammed in a joint statement by the eight leaders, which said: "there is simply too much at stake for any change to be railroaded through".

The Tory Leader at Leicestershire County Council indicated that it would "enter the government's devolution priority programme" and ask for elections to be postponed. She reckoned this would "save money, simplify a confusing system and protect front-line services".

A fundamental attack on local democracy

These devolution proposals when combined with changes to the National Planning Policy Framework and compulsory housing targets represent a fundamental attack on local democracy. **It is a case of imposition masquerading as devolution of power, and power being put into fewer hands.**

At the same time as the housing targets are being imposed, proposed changes to planning committee rules are designed to concentrate even more power in the hands of unelected planning officers. This is despite the fact that 96% of applications are dealt with by officers. If implemented, these changes would make it even more difficult for local people to scrutinise, influence or oppose applications. The Town and Country Planning Association, in [Planning Reform: In Defence of Democratic Planning](#) says

"The latest proposals will bear down on one of the few remaining balances on the system which is the ability of those serving on a planning committee to exercise their democratic rights, so long as they conform with public law principles. The proposals are contained in a working paper, rather than a formal public consultation, designed to promote 'debate in the sector'. The effect of the paper is more draconian than proposals flagged by the Secretary of State containing options to strip planning committees of any involvement in any application judged, by an as yet undetermined body, to be in accordance with the local plan policy. This will be achieved through a centrally imposed scheme of national delegation. Final decisions will be made by planning officers with no democratic oversight. The paper is clear that all this is designed to achieve certainty for developers."

"Certainty for developers" means riding roughshod over local opinion to facilitate profit-making. Giving more power to unelected council officers also increases the chance of corruption when very large sums of money are involved.

Housing

The Town and Country Planning Association was right when it said that "Our current planning system has many problems, but it is not, and has never been, the root cause of the housing crisis." There are two systemic problems – "an overwhelming lack of investment by government in homes for social rent," and "the repeated mistake" of four decades of planning reform focusing on "the generation of planning consents for housing with no effective strategy for their delivery."

Sarah Calkin, editor of the Local Government Chronicle, writes in relation to the government's planning changes, that

"The government's analysis – that the country is in the grip of an acute housing crisis and urgent action is needed – is not disputed. But its unrelenting portrayal of the planning system and local democracy as the only blocker to the building of the homes the country needs is not only one sided but divorced from the

reality of how the housebuilding market currently operates.”

As the Town and Country Planning Association has said, you don't live in planning permissions. There are more than a million plots of land granted planning permission that have not been built on. Sarah Calkin says that if you talk to anyone in local government trying to get homes built “they will talk about a 'cartel' of major homebuilders who sit on sites and don't build them and “game the system of five year land supply to maintain their profit levels”. They are “primarily interested in building on greenfield sites nowhere near existing infrastructure, thus perpetuating reliance on the car.” Councillors fear that the government's proposals will hand even more power to developers. Sarah Calkin says “This is because landowners, often the very same housebuilders, will be able to argue a particular site is not deliverable within five years, thus the council is no longer able to demonstrate a five year land supply and the presumption in favour of development applies.”

We know from experience that centrally imposed targets, when councils do not meet them, are used by developers to push through their proposals without any consideration of whether they are in the interests of the locality.

Most housing departments are based in towns or cities where power is situated. It's difficult enough for tenants to influence what councils do in these places. If the seat of power moves away from their locality, how much more difficult will it be?

An example of this is North Yorkshire where seven local authorities amalgamated. Three of them have council housing, so they were faced with the task of putting together a single housing department from three. The practical difficulties, never mind the democratic deficit this implies, was reflected in the result of an inspection by the Regulator of Social Housing. The new authority was given a C3 grading, indicating “serious failings”.

“Following a merger of seven borough and district councils in April 2023 to form North Yorkshire Council, and a subsequent restructure of the housing service, North Yorkshire Council had identified a range of issues. Those issues included a lack of reliable information about the condition of its homes, a failure to meet some aspects of landlord health and safety requirements, a lack of reliable information to support its understanding of and response to the diverse needs of its tenants, and limited and inconsistent meaningful opportunities for tenants to influence and scrutinise its services.”

It “does not have an accurate or up to date understanding of the condition of its homes.” It “is able to accurately report its current levels of compliance with the Decent Homes Standard and is unable to evidence the overall quality of its homes.” It is “failing to meet some legal requirements in relation to health and safety, with particular challenges arising from the significant number of legacy systems inherited from its predecessor councils.” Tenants in the areas of the three councils would probably have been able to physically visit the housing department. That's unlikely to be the case now with one 'head office'.

One Cabinet member responsible for housing, in a borough with a good record of maintaining council housing, has expressed concern at being swallowed up by a bigger authority, with a poor record.

Funding and austerity

The proposal to publish a White Paper before the outstanding issue of funding of local authorities is resolved, is putting the cart before the horse. With 19 councils having applied for “Exceptional Financial Support” and the LGA warning of more section 114 notices, the question of long term funding should have been resolved before any attempt at fundamental reorganisation. The LGA has commented that

“However, devolution is not an end in itself and cannot distract from the severe funding pressures that are pushing local services to the brink. It is vital the forthcoming provisional Local Government Finance Settlement provides councils with a significant and sustained increase in overall funding that reflects current and future demand for services. This should include compensation for the changes to employer national insurance contributions announced in the Budget.”

Florence Eshalomi (Lab), chair of the housing, communities and local government committee, said, in relation to some extra funding for local authorities:

“The government's announcement today is welcome, but the reality is that many councils in England will continue to be under huge strain, facing a range of severe service pressures and with the finances for many councils at breaking point.”

One of the drivers to amalgamate into bigger authorities is to save money. The impulse is part of the

government's austerity agenda. We now hear Keir Starmer boldly declaring that the government will be "ruthless" with public spending for the forthcoming Spring Spending Review. The autumn budget signalled a continuation of austerity. One of the measures which underlined that was the decision to freeze Local Housing Allowance. Not only was that a blow for private sector tenants faced with rents increasing above earnings, but it was a blow against local authorities. There is a growing gulf between the cost of temporary accommodation, with 130,000 households and rising, and the funding that councils receive from the government. For putting a household into private accommodation they only receive 90% of the 2011 LHA rate! That's why some of them are being pushed to the financial brink. We have previously reported on [the example of Newham](#), which has now said it wants permission to raise council tax by 10% and push through £32 million further cuts.

Talk of "ruthless" public sector cuts doesn't bode well for the prospects of funding for council housing. The autumn budget only increased the funding in the Tories Affordable Homes Programme by £500 million, said to fund just 5,000 additional homes. Currently, of the AHP funding, only 16% has funded social rent homes. Yet to seriously address the acute housing crisis, this government's AHP needs to fund in the order of 100,000 social rent homes a year. Council housing is not only a means of giving people a decent and affordable home. It saves funding on housing benefit, since the rent is lower than housing association or private rents. It will save money for the NHS in taking people out of poor quality accommodation which will otherwise make them ill. We agree with Andy Burnham when he recently said:

"The govt should make building hundreds of thousands of council homes its defining purpose. No other policy achievable within a Parliament, would have greater social and economic benefits."

Local authorities will build council housing if they receive grant for doing so. This is the only way to get people out of temporary accommodation, lower the household numbers on the waiting list, and rescue the young generation from the poor quality and expensive private sector. A housing emergency requires emergency measures, not tinkering.

If the government continues to pursue an austerity agenda then the financial collapse of councils can only lead to more and more cuts to services which are already overstretched. This will undoubtedly have an impact on housing departments that have to deal with homelessness. It will also mean that the warning of "[Securing the Future of Council Housing](#)" will be ignored and the needs of under-funded Housing Revenue Accounts neglected. The recent survey which reports that [two thirds of councils fear collapse of housing budgets](#), underlines how serious the financial crisis is. This way lies the deterioration of existing council housing as well as insufficient new build. **This is why council housing campaigners need to demand a change of course from the government or the protracted housing crisis will not even begin to be resolved.**

The decision to leave PDR conversions in place can only be aimed at driving up the number of 'homes' built, regardless of their quality. Likewise the side-lining of local planning committees is designed to push through planning applications to drive up the numbers. But in [a building industry dominated by an oligopoly](#), social need is not a consideration for these large volume house builders. Maximising their profit margins and dividends is their only consideration.

As we approach the 80th anniversary of the 1945 Labour government, this government's methods stand in stark contrast with what the Atlee government did. Whereas Bevan recognised that "the speculative builder is not a plannable instrument" this government is relying on the market to address the housing crisis. The key to beginning to resolve this crisis is, as it was in 1945, to use the plannable instrument of local authorities to build/acquire council housing on a large scale. Just as Bevan gave councils the funding to build (he tripled the grant for building), if this government provides the funding then councils today will start building again on a large scale. But Westminster diktats on local authorities designed to promote 'growth' regardless of their social and environmental consequences will simply make the crisis worse. Devote funding to existing council housing and new build and this will create socially and environmentally useful economic activity. This is the sort of growth that we need.

Martin Wicks
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