

The National Conditions

From the mid-70s to the mid 90s Council Rents in the UK were lower than those in the rest of the socially rented sector. This led to a national position of under-investment in Council Housing Stock.

Subsequent Governments considered different policy approaches to this issue. One of the first high profile changes was the 1980 Housing Act which introduced the Right To Buy. The second was 1985 Housing Act. Section 27 of that Act gave the Secretary of State power of approval over Housing Management Arrangements. This enabled the transfer of Council Housing stock into another body.

This clause was utilised by the 1997 Labour Government when it sought to resolve the problem. From 2000 it set a target for all Council Housing to reach The Decent Homes Standard by 2010. For this purpose it set aside Government funding to act as a “catch up” investment based on three provisos:

- The first was that Council's review their management arrangements with an emphasis on externalising or placing those arrangements at Arms Length (using Section 27 of the 1985 Act)
- The second was that those management arrangements were judged at Two Star or higher by the Housing Inspectorate of the Audit Commission
- The third was that Council's set a rent that was convergent with the rest of the sector to a / remove inequality in the market and b / ensure sufficient resource was “locked-in” to the system to ensure the situation did not arise again.

Over the last 12 years local authorities have been moving through that process.