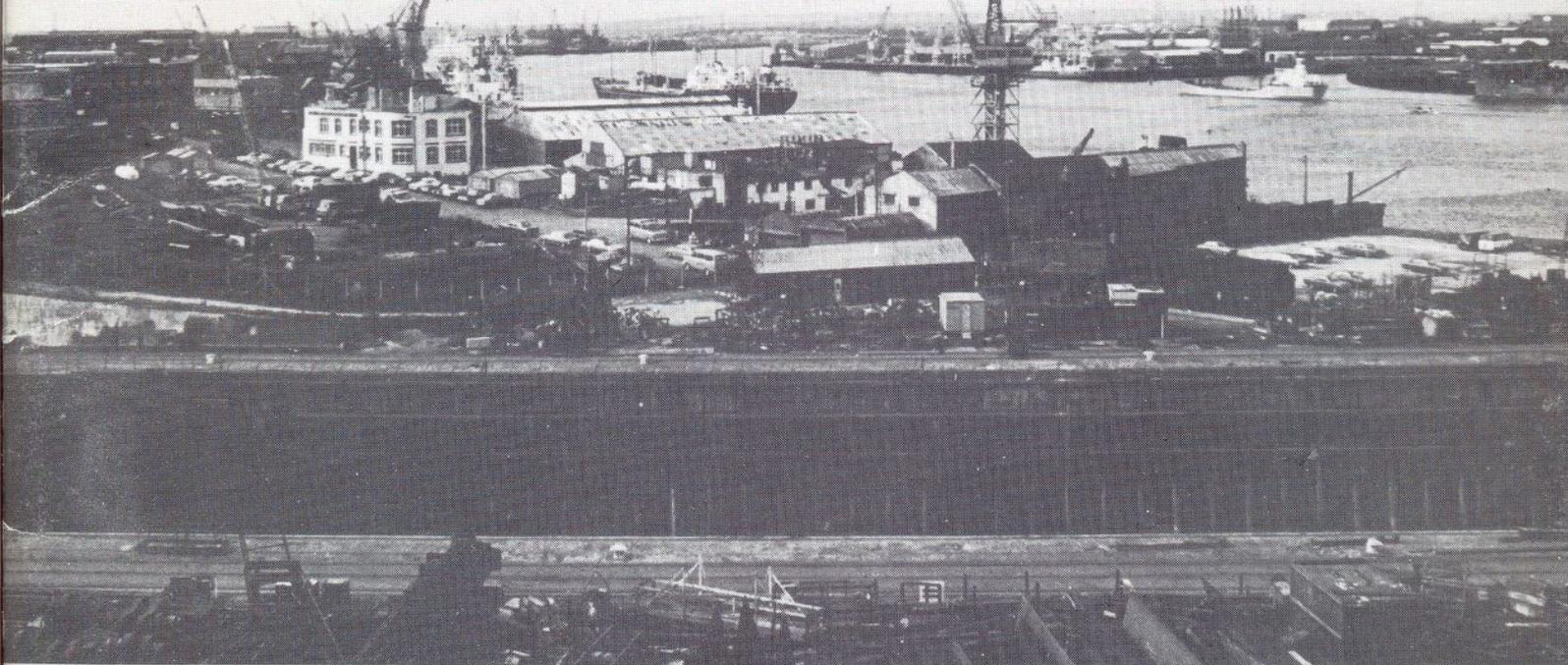


DEMOLISHING

THE

MYTHS HOUSING AND JOBS IN SOUTH TYNESIDE



SOUTH SHIELDS TRADES COUNCIL
in conjunction with
TYNE & WEAR RESOURCE CENTRE

MORE PRIVATE HOUSING WON'T BRING INDUSTRY & JOBS

Part 2 page 17

A HOUSING POLICY TO MAINTAIN AND CREATE JOBS

Part 3 page 27

CONSEQUENCES OF EXPANDING PRIVATE HOUSING

Part 4 page 39

THE NEED FOR A CONTINUOUS HOUSING PROGRAMME

Part 5 page 43

HOUSING IN SOUTH TYNESIDE IN THE 1980s

South Shields Trades Council

The South Shields Trades Council took a major initiative during the struggle against the Housing Finance Act in 1971/72 organising public meetings, marches and helping to set up many tenants associations. It has also been very active since the early 1970's on education issues eg. the right of unemployed kids to attend college while receiving benefit and published the School Leavers Guide to Survival. The Trades Council has 78 affiliated branches representing over 10,000 workers.

The Planning Sub-committee of the Trades Council was set up in late 1978. Since then it has met many times with representatives from the Tyne and Wear Resource Centre and SCAT to examine and discuss in detail the issues covered in this report. A draft report was circulated to all affiliated trade union branches and was discussed and approved by the full Trades Council at its October 1979 meeting.

Tyne and Wear Resource Centre

The Tyne and Wear Resource Centre, located at 13 Swinburne Street, Gateshead (Tel. 0632 775615), works regionally with tenants and trade unionists around housing and employment issues. It provides equipment, information and workers to help in campaigns and struggles. The work of the centre also includes organising educationals for tenants, producing a newspaper on housing issues and a community directory.

Services to Community Action and Tenants

Services to Community Action and Tenants, is a national housing and planning project set up in 1973.

It works closely with tenants and community groups and federations, trades councils, trade unions, cuts campaigns and other labour movement organisations by:

- giving advice and assistance on housing and planning issues
- giving advice on campaign strategies and organisation
- researching national and local policies and developments
- organising education workshops and courses
- publishing pamphlets and assisting organisations with their own reports.

SCAT researched, designed and produced this report working in close cooperation with the South Shields Trades Council and Tyne and Wear Resource Centre.

SCAT. 31 Clerkenwell Close, London EC1 (Tel. 01-253 3627)

- assisted self-build schemes
- encouraged tenants co-operatives
- used housing associations on a large scale in the improvement programme and for sheltered housing schemes for the elderly.

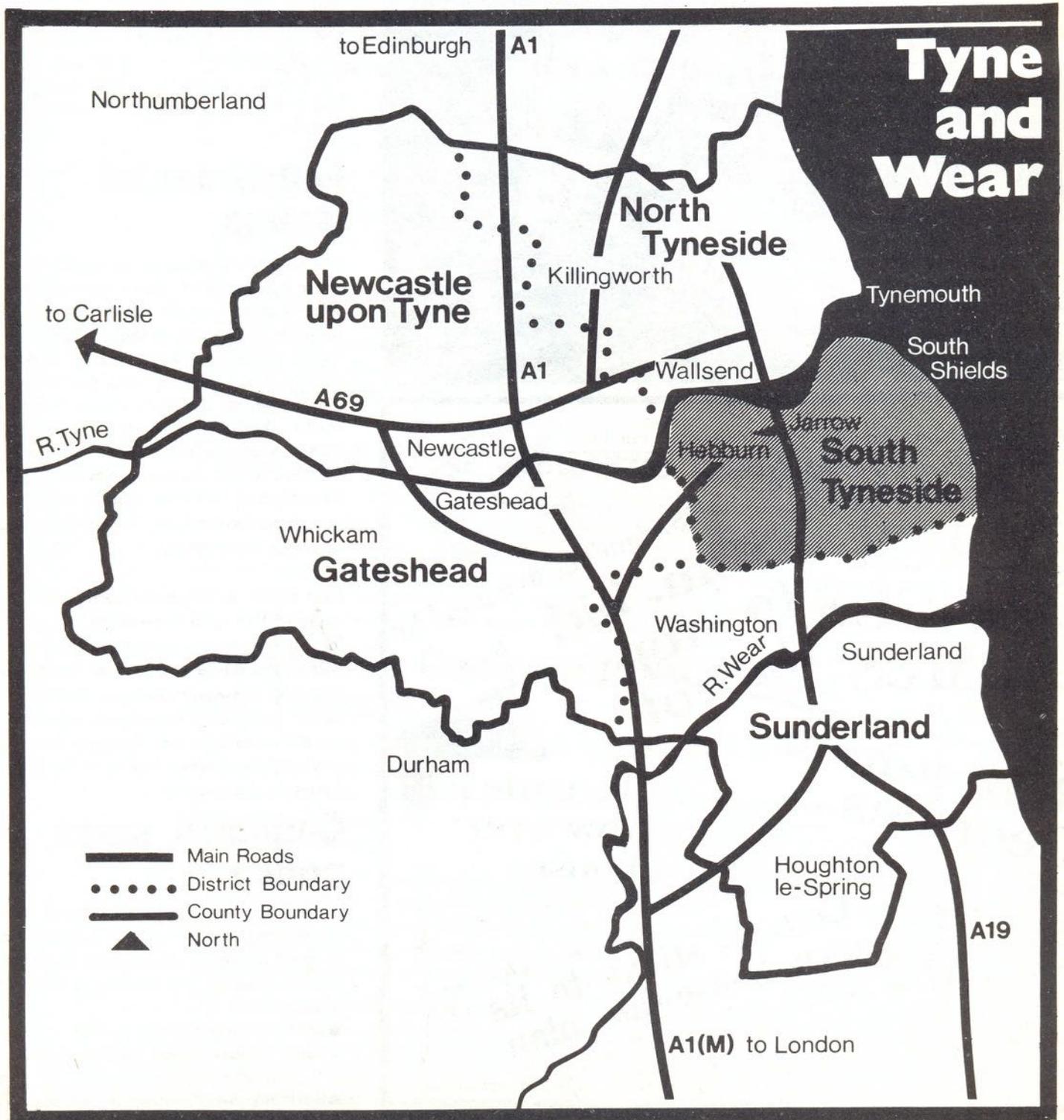
These policies are in effect a mirror image of many of the proposals in the last Labour Governments Green Paper on Housing Policy published in 1977. In fact South Tyneside was 'ahead' of many other councils in the extent to which it has been implementing the range of policies to expand the private housing market.

We are now in a situation where the Tory Government is implementing these very same policies but much more ruthlessly. The sale of public assets and cuts in public spending are a key part of its economic and political strategy (see chart page 28)

The issues are not simply local ones but are an integral part of the present economic system. The same claims about how expanding private and executive housing will both help to retain existing firms and attract new ones have started to be made in other parts of the country. Hence we

believe that this report has importance for other Trades Councils both in the North East and elsewhere in the country.

We hope the report will be used by the rest of the Labour Movement - trades unions, tenants and community groups, Labour party etc - to argue for alternative policies, and develop a deeper understanding of the issues in the struggle ahead. A struggle which shouldn't be simply defensive, but also needs to demand more and better housing. It will form the basis of further action by the Trades Council outlined later in the report



PART 1

MORE PRIVATE HOUSING WON'T BRING INDUSTRY AND JOBS



FIRMS EMPLOY EXISTING LABOUR FORCE

It is often claimed, and council and regional policies are based on the assumption, that building more private housing, particularly for professionals and executives, will greatly help to attract industry and jobs to South Tyneside and the North East generally.

This is a myth. All the evidence shows that the majority of industry which has and is likely to come to the North East is mainly branch plants of bigger firms who come to take advantage of the *existing* supply of labour and government and council grants and concessions. Those new plants require few staff to move from other areas and those who do come are usually more mobile and have the whole of Tyneside in terms of housing choice.

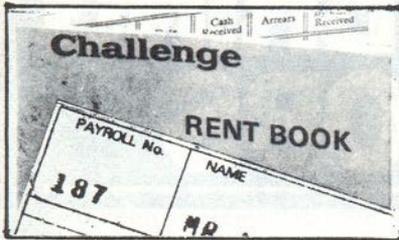
There *is* however a direct and fundamental relationship between the provision, type, tenure and cost of housing with jobs and industry i.e. the level of wages, location of housing and place of work, the number and quality of jobs provided by building, improving and maintaining housing.

IMPROVE CONDITIONS FOR EXISTING RESIDENTS

Only a planned programme which includes the direction and control of industry, and new investment to produce socially useful products and services will prevent a worsening of the crisis in the North East in the 1980s, and offset further redundancies and closures with the continued process of rationalisation and restructuring of industry, introduction of new technology and investment overseas.

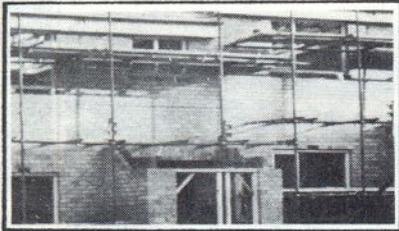
Housing policy must concentrate on improving housing conditions for working class people in South Tyneside. This can really only effectively be achieved by expanding and substantially improving council housing.

DIRECT CONNECTION BETWEEN HOUSING—AND—EMPLOYMENT



Higher Wages : Higher Housing Costs

The conflict between the cost of housing and wages is inherent in the capitalist system. The system ensures that as wages increase market forces push up the cost of housing. Working people have to meet these increased housing costs from their wage packets - and so demand higher wages.



More or Fewer Jobs

Substantial employment is provided in the design, building, management and maintenance of housing. The rate of house building and improvement and the tenure of housing has a direct bearing on the number, quality and social usefulness of jobs in the housing sector.



Investment and Profit

Housing is a major source of investment and profit making - the value of Britain's housing stock is now worth twice as much as the market value of all of British industry based on Stock Exchange prices. Profit is made at every stage - land acquisition, design, construction, building materials and on the money borrowed to pay for all of these. Profit is also made by solicitors, estate agents and surveyors every time a privately owned house is bought or sold.



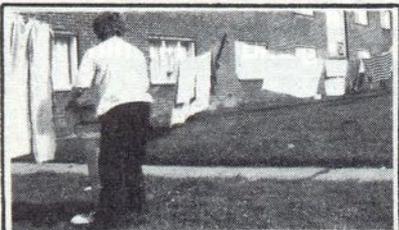
Maintaining Existing Values

Housing and employment are two of the most important areas of our lives which are used by business interests and the state to maintain and promote the ideology of private enterprise and existing relations of production eg individual competition, profit motive, self-help.



Integral Part of Economic Strategy

Housing policy, along with policies for the control and location of industrial investment, form an integral part of any economic strategy, both at national and regional levels. The government's economic strategy seeks to expand the private housing market which it is claimed is necessary to increase the mobility of labour to meet industry's needs, while having minimal controls over the location of industry.



Workers Fed and Clothed

The house is the place where the current generation of workers (mainly men) are fed, clothed and generally serviced and where children are brought up and equipped to be the next generation of workers. Women have been forced by the capitalist system to be primarily responsible for the family and the home as well as providing industry with a predominately unskilled low paid pool of labour.



Labour Movement Struggle

For these reasons it is essential that trade unions, trades councils, tenants and community groups and other labour movement organisations have to jointly take action to raise their real wages, and to get a housing policy that will prevent these economic gains from being eroded and which at the same time will improve the quality of housing.

PART 1

Introduction

In South Tyneside, and the Northern Region in general, council and new town housing forms a large proportion of the total stock of houses (53% and 42% respectively compared to the national average of 33%). This is a positive achievement although some of this housing is badly designed and built and tenants have little control over their homes.

However statements and comments in official reports and the media by industrialists, officials and councillors in the last 15 years have claimed

that there is an urgent need for a large expansion of private housing, particularly executive housing, for managerial and professional people in order to help 'attract', and create industrial development and jobs in Tyneside. Furthermore the impression is often given that local authorities' past efforts to solve some of the worst housing problems with large council housebuilding programmes has now become a hindrance to attracting industry to the area. Regional economic planning reports have lamented the fact that there are fewer owner occupiers in the North East than in any other English region, and imply that the national average of 55% owner occupation is 'normal' and should be the 'standard' to be achieved in the North East.

These arguments are not simply confined to the North East. The 'need' to build more private housing to both 'attract' industry and prevent further migration, particularly of young skilled workers, is being strongly argued (and in some cases implemented) in such places as Liverpool, Glasgow and Southwark. Planners in the West Midlands are claiming that there is a need to find choice sites for luxury housing to prevent executives moving their homes and businesses to neighbouring counties.

Myth or reality

- Will more private housing and in particular executive housing really result in more firms and jobs coming to South Tyneside and the region

More private housing will help attract more jobs - a view widely held by councillors, industrialists, council officials and builders.

The 'need' for more private housing and in particular 'executive housing' (usually 4 or more bedrooms, 2 bathrooms in a detached house with large garden and double garage) in the region has recently been highlighted by the Northern Economic Planning Council who started an inquiry in late 1978 (but since terminated due to scrapping of EPCs by the Tory government). Then in March 1979 the Northumberland County Council held a conference with various sections of the property world including The Building Societies Association, National Federation of Building Trades Employers, Confederation of British Industry to discuss the 'famine' of executive housing.

"There is in the Region a pressing need for houses of the standard sought by the higher salaried worker. The introduction of many new firms and the recent economic revival have brought a demand for higher quality houses from managerial, scientific and technical staff to which there has so far been a slow response."

'Challenge of the Changing North', Northern Economic Planning Council, 1966.

"If the North East is to hold its own in the industrial opportunities in the 1980s, increasing emphasis will need to be placed on the provision of 'executive' housing."

Peter Shapcott, Director, Northern Counties National Federation of Building Trade Employers, writing in The Journal's Commercial and Industrial Review, 14 Feb. 1979.

"The perceived housing stock of an area is undoubtedly one factor taken into account by industrialists when considering relocation or the setting up of a new business, and a more active private sector would undoubtedly improve the image of the Borough."

'Housing Towards the Eighties', South Tyneside Housing Dept., Jan 1978.

"The shortage of private housing is undoubtedly a major element in preventing any large scale settlement of high wage earners, and particularly of families of professional or executive workers."

'Economic and Social Trends - the local dimension', South Tyneside NALGO Branch, 1978.

Famine of executive houses

LEADERS of all sides of the region's property market will be getting together later this month to compare notes on one of their biggest problems - the famine of real executive housing.

supply a speaker on the subject. And it is hoped that estate agents, builders and others who are being invited will weigh in.

N-E houses put off firms moving in

By BRYAN CHRISTIE
THE lack of executive housing in the traditionally "manston and hovel" dominated North-East is stifling the area's industrial revival. Evidence of this is the CBI's acti-

authorities who, he said, for decades have refused to release land for development.

"The answer is," he said "that builders must be allowed to build more new executive houses. This is that the

'Lack of homes for top people'

A "CHRONIC shortage" of executive houses in Sunderland could be costing the town jobs, claim property surveyors. But last night council leader Len Harper said that their call for more building land in the town was already being met. The lack of suitable houses in the £30,000 to £70,000 bracket means top managers have to commute from as far as Carlisle

Houses 'will attract industry'

IT IS vital for Northumberland to improve its environment with high-class housing in the fight to attract industrialists, a public inquiry heard yesterday.

Planning consultant Mr. Geoffrey Smith said that under the new government the county could no longer rely on regional "handouts" to encourage industry and job opportunities.

Mr. Smith was speaking for Bellway (Builders) Ltd. on the second day of its appeal against planning

generally?

- What is the real impact of new firms coming to South Tyneside and the North East generally, and of closures and redundancies on the demand for housing?
- How have changes in the ownership, control and management of industry affected the demand for housing in the North East?
- Are developments in the economy and industry and the implementation of current local development plans likely to lead to changes in the number of jobs and the demand for housing in the North East?
- What is the real connection between housing and employment and how it affects people's lives?

We will now examine these 5 questions. It is essential to do this so that we are clear that housing and economic development policies in the 1980's are based on fact and not fiction, that the use of public and private resources are used to maximum benefit based on need and not greed, and that these policies and resources are publicly controlled and accountable.

Homes, jobs and industry

But first it is crucial to understand that there is a direct and fundamental



Industrial sites

A range of industrial sites... available... for...
 - Many...
 - Also...
 - Some...
 - Some...
 - Some...

Financial Incentives and Facilities

Financial incentives... available... for...
 - Many...
 - Also...
 - Some...
 - Some...
 - Some...

Housing

Many...
 - Also...
 - Some...
 - Some...
 - Some...

Service Industry Grants

Many...
 - Also...
 - Some...
 - Some...
 - Some...

ALL INDUSTRIES

Many...
 - Also...
 - Some...
 - Some...
 - Some...

Key workers

Many...
 - Also...
 - Some...
 - Some...
 - Some...

relationship between the provision, type and cost of housing with jobs and industry - ie the level of wages, the location of housing and the place of work, the number and quality of jobs provided by building, maintaining and improving housing itself and so on. These different connections are explained on page 10. However, we want to show that the connection which is the focus of much attention in the North East - namely that housing plays a key role in 'attracting' and creating industrial development and jobs in the borough, is in fact spurious. Developments in the local economy over the last 15 years and the likely impact of economic changes in the 1980's indicate quite clearly that hou-

ing has, and is likely to continue to, play a very minor role in creating jobs.

Much is made of the 'problems' of the North East and the failure to 'attract' industry during the 1960's and 1970's (or more precisely with creating new jobs not at the expense of other areas). These problems have little to do with the North East as a place. Below we describe the economic processes which have resulted in the decline of traditional manufacturing industries and other developments. These have occurred not just in the North East but the rest of Britain and other industrialised countries.

created closure means permanent redundancy.

CALL FOR EFFICIENCY

Aim to get more products out of fewer workers. Each product is then cheaper to make and more profitable to sell.

RESTRUCTURING

Restructuring is the shut down of unprofitable out of date plants in order to reduce spare capacity (ie too much productive capacity for the available market). Any new investment goes elsewhere.

RATIONALISATION

With rationalisation new investment may go into new production processes. Machines ie. capital investment, are

THE ROOT CAUSES OF INDUSTRIAL DECLINE

The continued decline of traditional industries in South Tyneside and the North East generally has little to do with South Tyneside as a place. Similarly its failure to 'attract any substantial new industries and jobs has little to do with its geography. Closures, redundancies and the opening of new plants in the region reflect the workings of capitalism and not the boroughs geographic merits or drawbacks. It is a national and international process. More private housing or more council housing will have little or no effect. There have been numerous closures in New Towns where there has been a

much greater supply of adequate housing.

ECONOMIC CRISIS

In response to the economic crisis and ending of the post-war profits boom and declining levels of investment, companies have developed a number of techniques to try to maintain and improve their profit margins. These include-

CLOSURE OF FACTORIES

Factories owned by large companies making low profits are closed. Given that no attractive jobs are

WHAT IS THE REAL IMPACT OF NEW FIRMS AND OF CLOSURES AND REDUNDANCIES ON THE DEMAND FOR HOUSING

Jobs lost and gained in South Tyneside

Taking into account closures, redundancies and new jobs created South Tyneside had a net loss of 6,100 jobs between 1961-76. A loss of 8,700 jobs in primary, manufacturing and blue collar services was offset by a small increase in white collar jobs.

An analysis of Employment Records (ERI data) for manufacturing firms employing over 50 workers collected by the Department of Employment shows that the loss of manufacturing jobs between 1962-73 was concentrated in the traditional industries of South Tyneside - shipbuilding lost 2,530 jobs, metal and electrical manufacturing lost 1,150 jobs. Increases in paper/printing/publishing and timber/furniture manufacturing employment reduced the net loss to 2,195 jobs in this period for manufacturing firms employing over 50 workers.

South Tyneside had a smaller decline in the number and percentage of jobs lost in the primary sector than Newcastle, Gateshead, North Tyneside

and Sunderland. However the borough was second to Newcastle in the number of manufacturing jobs lost and both these districts were the only ones to suffer a decline in blue collar service jobs.

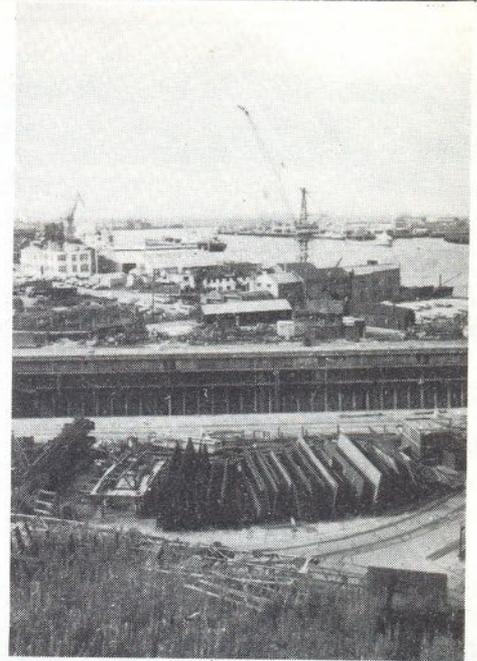
South Tyneside's share of new jobs

Leaving aside closures and redundancies, 33,500 new manufacturing jobs were created in Tyne and Wear between 1966-77 inclusive, two thirds of which were generated in the first half of this period.

From outside Tyne and Wear	12,000 jobs
Transfer within Tyne and Wear	6,200
Firm new to manufacturing or new unit of existing firm	1,900
Expansion of existing firm	13,400

(Source: Report of Survey: Tyne & Wear Structure Plan)

But South Tyneside got only 5% of new manufacturing employment created by firms moving to Tyne and Wear, 11% of jobs, as a result of firms moving



within Tyne & Wear, and 7% from firms new to manufacturing. The lion's share of new jobs went to the peripheral areas in particular Washington New Town, Birtley and Killingworth, which had green field industrial sites with room for expansion and financial incentives.

Other important changes which have occurred

Other important changes which have occurred in the borough during the 1960's and 1970's include -

- that despite an increase in population in the 1950's it declined from nearly 185,000 in 1978 and is



installed and as less workers are needed to run the machines they are made redundant. Machines are increasingly replacing labour and skilled work is taken over by mechanical processes leading to de-skilling. This process may well accelerate rapidly in the future with the leap forward in automation opened up by the use of micro-processors.

PRODUCTION CHANGES

Investment also goes into the

introduction of new products that need less labour. Streamlining of products makes productivity cheaper and profits higher. Commodities are changed regardless of the effects on the labour force.

TAKEOVERS AND MERGERS

The call for efficiency tends to be speeded up by a process of takeovers and mergers conducted by larger and more powerful companies. Control of production in fewer companies enables the process of restructuring and rationalisation to go on throughout the national economy.

INVESTMENT OVERSEAS

Concentration of production is also

prevalent in the world economy. The 200 largest companies who control half of British manufacturing output are nearly all multinationals with plants in both the First and Third World. As profits are higher in the faster growing economies of the West and the cheap labour areas of Latin America and South East Asia there has been relatively more investment abroad than in Britain.

Over 1m jobs have been shed by British manufacturing industry since 1968 while at the same time productivity has increased by 17%.

With these processes at work the provision of more private housing is hardly likely to have much influence.



Looking down the Tyne from the Hebburn Flats

currently declining annually at a rate of between 1,500 - 2,000 people.

- there has been little overall change in the supply of labour resident in the borough (those in or seeking work and those temporarily ill) - a fall of 900 between 1961 - 76 to 79,500 people, mainly because many more women now seek employment. The borough's share of the total labour supply in Tyne and Wear has remained virtually static.
- skilled manual workers increased from 44.9% to 51.3% as a proportion of men in or seeking work in the borough between 1961 - 76 (the highest now in Tyne and Wear) whilst the proportion of semi-skilled and unskilled declined. The proportion of non-manual ie professionals, managers, increased to nearly a quarter although this is lower than other parts of Tyne and Wear.
- unemployment has increased from just over 4% in 1966 to nearly 10% in 1971 and was running at over 13% during 1978 and 1979 - over twice the national average.
- the housing stock increased by 9,300 dwellings to 63,300 between 1961-78. The number of households also increased but the average household size declined particularly with many more 1 and 2 person households. Many aspects of housing conditions have been improved - the

worst slums cleared, over-crowding reduced - only to be replaced by a new set of developing problems (see Part 4).

Fewer jobs and changes within companies

We have seen that there has been a net loss of jobs in South Tyneside and Tyne and Wear generally. Some new jobs have been created but the question is whether they have generated an additional demand for different types of housing in the borough ie that these jobs weren't or couldn't be filled by existing unemployed residents of the borough (or by people moving from other jobs), or those living within commuting distance. The other key question is whether the quality, cost and availability of housing in South Tyneside has actually prevented firms moving to the area to create new jobs.

It is necessary to look at the demand for housing generated by:-

- senior management
- professional and technical staff
- skilled and other workers

To do this we have to examine the ownership, control and management of both existing industry and new firms coming to the North East. This is important for the retention of existing

jobs as well as the number and type of new jobs. Extensive details of individual firms are not available but we can draw on evidence of developments not only in South Tyneside but also Tyne and Wear and the Northern Region.

It is necessary to distinguish between firms which have only one factory - single-plant firms (ie all their activities - production, management, administration etc. - take place at one location) and multi-plant firms where activities are spread across a number of factories. These multi-plant firms will range from those with their headquarters based in the region to those which are externally controlled - companies which have their headquarters based elsewhere in Britain or abroad.

Single plant firms have to accommodate all changes and fluctuations at one location but multi-plant firms, particularly multinational companies can switch resources - plant, management, research and technical expertise from place to place. Multinational companies can also move their money around - profits, interest, dividends, investment funds - depending on different countries' economic conditions, government policies, taxation etc. They have increasing economic and political power which is used first and foremost to maintain and increase company profits irrespective of local consequences.

HOW HAVE CHANGES IN OWNERSHIP, CONTROL AND MANAGEMENT OF INDUSTRY AFFECTED THE DEMAND FOR HOUSING IN THE NORTH EAST

Fewer larger firms

Not only have there been changes in the type and range of manufacturing activity but also in its ownership and management. The top 100 firms in Britain have doubled their control of Britain's manufacturing industry in the last 20 years - they now control half of the net output. "In 15 of the 22 main industrial and service sectors in the economy, four firms or less control more than half of the total assets of that industry". (1). Meanwhile the financial institutions such as insurance companies, pension funds unit trusts, now own 60% of all UK companies quoted on the Stock Exchange.

Headquarters in the South East

This increasing concentration of ownership, brought about primarily by taking over and merging with other companies, has major implications for regions like the North East. The control of these large firms is more and more concentrated in headquarters in the South East or abroad, while productive and routine administrative activities, which in terms of employment are in a state of relative decline, have tended to be dispersed.

These larger firms usually have a large number of subsidiary companies and branch plants which are controlled by the head office. It is the top management which sets out the companies overall strategy and policy, decides where and when new investment, closures and redundancies will take place, allocates export markets, research programmes and the prices to be charged between the companies different plants. These large companies tend to have a large number of smaller, subsidiary and branch plants scattered around the country rather than a few large plants.

The level of external control of the larger manufacturing plants (over 100 workers) is very high in the North East (much higher than for example in Scotland) - it had risen from 52% of plants (54% of jobs) in 1963 to 73% of plants (80% of jobs) ten years later. By the early 1980's it is expected that all the large manufacturing plants will be externally controlled.

Branch plant economy

The Northern Regional Strategy Team were concerned that a "branch plant economy" was developing. New

plants which open - (the Northern Region has been heavily dependant on branch plants for new employment; they accounted for 87% of all new manufacturing jobs between 1963-73) more often than not are production-only plants ie they have a resident manager but most aspects of management, research, banking, marketing etc are carried out at the companies' headquarters.

These firms move to areas like the North East primarily because of the availability of labour, investment grants etc. They do not bring any or at most relatively few, senior managers, professional and technical staff to live in the area but rely almost entirely on the existing supply of labour.

Consequences of a branch plant economy

We now want to examine 4 issues in more detail because they all have a direct bearing on the local demand for housing.

- management and control
- effect on the regional economy
- plant closures and redundancies
- type of employment created.

Management and control

The management of a company can be divided into 3 levels:



Firms in South Tyneside where workers have been made redundant.

- managing day to day operations
- co-ordination of branch plant managers
- senior management responsible for overall policy and planning (2).

The type of industry, size of firm, location of the headquarters in relation to the branch all influence the degree to which control of branch plants is centralised. Studies have shown however that: research, marketing, purchasing of supplies, investment and dis-investment decisions, banking, insurance, legal and other professional services, changes in products, are often carried out at firms' headquarters. Branch plants are often limited to the hiring of labour, spending relatively small sums of money on capital investment, and in some cases marketing and supplies. When branch plants require assistance from senior management or technical help from headquarters or associated firms then staff usually travel to these plants for a few days staying in local hotels.

- An analysis of Department of Empl-

oyment records (ERI data) shows that 33% of manufacturing employment (firms employing 50 or more workers) in South Tyneside was in firms with headquarters outside the region. By 1973 this figure has reached 59% (63% of firms). The figures for female employment in manufacturing firms externally controlled were much higher at 56% and 77% respectively.

- A survey of 422 firms in Tyne and Wear employing 11 or more persons (Tyne and Wear County Council 1976) found that 33% were branch firms (45% of branches had over 200 employees compared to only 14% of other firms), 72% of which had headquarters in other parts of the UK or abroad. Only 36% of branch managers had control over marketing and 41% over all purchasing.

- A study of 61 manufacturing firms which acquired 141 other firms in 1973-74 (3) indicated that in virtually every case top level managerial functions were transferred to the acquiring firm. 61% of firms retained only



'moderate' or 'low' degree of management control over production, purchasing etc and 8% were closed down.

Effect on the regional economy

The multiplier effect is important for areas like the North East. Attracting a new firm will hopefully benefit other local firms by the purchase of supplies locally and use of local services. This helps to maintain and possibly generate new employment beyond that of the new firm itself. However locally generated profits from branch plants will usually flow out of the local economy to the headquarters of the firm, and will have little effect on the regional economy beyond that of the firm itself and the workers it employs.

- "In almost 85% of takeovers, service linkages (auditing, banking, legal, insurance, advertising, market advice, transport, security and maintenance services) the established links of the acquired firm were severed and transferred to the acquiring group's suppliers, usually to a large established supplier located in the headquarters region of the acquiring company" (4). Large acquiring firms often have their own internal legal, marketing and maintenance services.

- In addition branch plants often purchase supplies from other branches of the same firm (a survey of 1,200 plants for the Strategic Plan for the South East found that 56% of branch plants

HOW THE CONTROL OF INDUSTRY SHIFTS AWAY FROM THE NORTH EAST

External control of industry increases in 3 main ways:

- 1 Through a different rate of growth between existing locally and externally controlled firms, eg the latter grow at a faster rate and/or are concentrated in growth industries while local firms are in stagnant or declining sectors.
- 2 The immigration of branch plants and/or subsidiaries of firms from outside the region at a rate which is greater than the creation of new firms within the region. Government's regional development policies in the 1960's and 1970's have encouraged the establishment of branch plants.
- 3 Through mergers and takeovers of local firms by national and multinational corporations. The location of the headquarters of a local firm within the region does not itself necessarily benefit all parts of the region eg investment on Teeside could be at the expense of disinvestment on Tyneside. Of course Northern Region based companies also acquire firms in other regions as part of the same process but between 1962-73 acquisitions were only at half the rate at which local firms were acquired by those in other regions. In these circumstances greater emphasis could be placed on small locally controlled manufacturing firms in the North East. However due to the region's past industrialisation "the proportion of small manufacturing establishments is low: per thousand manufacturing employees, the number of such plants in 1972 was some 40% below the national average." (NRST Main Report 1977).

purchased some supplies from other parts of the company - 17% purchasing over 30% in this way. Sales were correspondingly similar) thus reducing the multiplier effect of new plants.

Plant closures and redundancies

Another consequence of increasing external control can be the loss of jobs through closure and redundancy.

"Employment growth is much more characteristic of the pre-merger period and that stagnation or actual decline is more typical of the immediate post-merger" (5). The same study found that job losses through closure of externally controlled plants (over 100 employees) was twice as high as locally controlled plants. Of the 131 large manufacturing plant closures between 1963-73, 80% of the plants (88% of the jobs) were externally controlled at the time of closure. All but seven of a further 45 large plants which closed in the same period were either externally controlled branch plants or firms acquired by others outside the region. In the Leigh and North study (1976) forty seven of the 141 acquired firms involved the closure of 61 acquired factories within 2 years of takeover.

It should be noted that most closures connected with takeover occur after 2 - 3 years of the takeover. Also it is not simply large factories or branch plants which suffer from closure. Almost 90% of the plants closing in Inner Merseyside between 1966 - 75 employed fewer than 100 workers and constituted over half the recorded job losses (6).

Type of jobs created

Many of the branch plants which have come to South Tyneside have done so because of the existing supply of labour - in particular; cheap, unorganised female labour, who are also usually the first to go in redundancies.

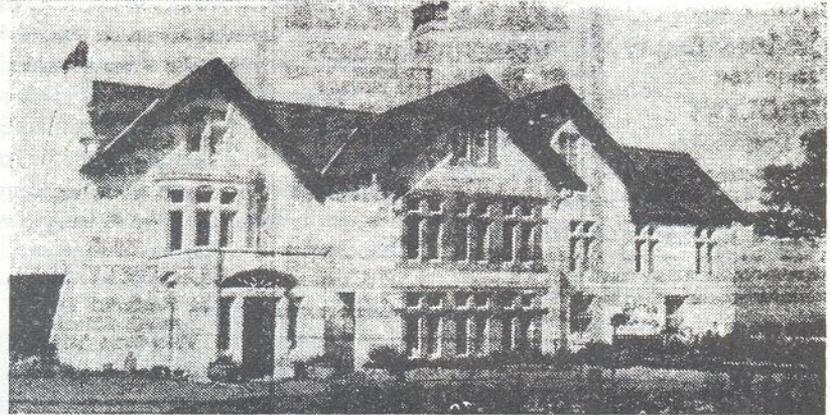
In the clothing and footwear industry 4 out of 5 plants in South Tyneside (employing over 50 workers) had opened since the war. In 1973 ninety per cent of the 1,500 workers were female

62 Fowler Street
South Shields

Telephone
564818/9

HARTON

FIRST TIME ADVERTISED



MARSDEN HALL, LIZARD LANE, SOUTH SHIELDS

We are pleased to offer for sale possibly the best property produced to the open market in South Shields and dating from around 1900. For those looking for a property of this quality in South Shields.



and all the major firms were externally controlled. There have since been major redundancies eg closure of John Collier factory with 500 jobs lost. In the light electrical engineering industry 4 new externally controlled branch plants have been established since the war where 65% of the workforce in 1973 was female - and again there have since been major redundancies eg Plessey's (Source: Department of Employment ERI data).

In almost half the takeovers studied by Leigh and North (1976) increased production after acquisition was plan-

ned. However there was very little new capital investment in plant and machinery and most expansion was attributed by the acquirers to better management and more efficient use of assets. New jobs were created in fewer than half the cases and in many cases employment actually declined.

It is clear that the development of a branch plant economy and increasing external control of firms in the region has meant that the jobs which have been created have gone to existing residents, in fact the plants come precisely because there is a supply of

labour. This has also led to relatively few jobs at these plants for senior management, professional and technical workers so they consequently do not seek housing in the area.

Growth 'n other jobs

The high proportion of branch plants also affects the number and kind of office jobs in the area, because as we noted above, advertising, insurance etc is normally controlled by the head office. Consequently the Northern Region has had a much slower growth in all but routine clerical jobs than the rest of the country. The region has a higher proportion of clerical jobs (65%) than the national average (61.8%) but a smaller proportion of administrative and managerial, professional, technical etc. office jobs. Only 1% of Location of Offices Bureau moves (1,727 jobs) between 1963-77 came to the Northern Region.

The decline of jobs in primary and manufacturing industries has been partly offset by an increase of 38,000 white collar jobs in Tyne and Wear between 1961-76 - mainly in professional and scientific services and to a lesser extent in insurance, banking and business services. However over two thirds of these new jobs employed women workers the vast majority of whom were already living in the area. Nearly three thousand additional jobs in public administration in the same period but the cuts in public spending over the last four years have limited further growth.

Small new businesses are being encouraged as part of Tyne and Wear and South Tyneside Council's economic development programme. Leaving aside the relative impact of these policies new small firms are much more likely to be set up by people already living in South Tyneside or Tyne and Wear generally rather than moving from other parts of the country. In fact a survey of the three Nursery Factory Unit Projects in South Tyneside in February 1978 (Quarterly Industrial Review 1/78) shows that of the 11 firms (employing 66 workers) 3 are new businesses, 4 firms moved from other premises in the borough, and 4 moved from other parts of Tyneside.

ARE DEVELOPMENTS IN THE ECONOMY LIKELY TO LEAD TO CHANGES IN THE NUMBER OF JOBS AND THE DEMAND FOR HOUSING IN THE NORTH EAST

Bleak future

We have so far concentrated on the developments and changes in the last 20 years and the current situation. But what of the future? Will there be an economic recovery resulting in more jobs for Tyneside which in turn may affect the demand for housing? First we briefly examine likely developments in the national economy and then the implications of the Regional and Structure Plans.

The economy of Tyne and Wear is integrally bound up with the national and world economy. Sir Geoffrey Howe, the Chancellor, has warned that the short-term outlook for the economy is "almost frighteningly bad". A major recession is underway. This will hasten or delay temporarily a number of developments which we have already examined and which are crucial to putting into perspective the current policies and claims of 'attracting' industry and jobs to the North East in the 1980's. The continuation and intensification of present trends and developments into the 1980's will have major consequences for the North East. Seven crucial points must be made.

1 national and multinational companies will extend their control of British industry through more acquisitions of other firms. The Bolton Committee (1971) Enquiry on Small Firms predicts that there will be virtually no small firms in the manufacturing industry soon after the end of the century. Increasing external control of industry could lead "ultimately to a completely hierarchical arrangement of regions corresponding to the vertical division of labour within large corporations with the peripheral regions assuming the role of branch plants to the South East head office". (7)

2 Insurance companies and pension funds (workers' savings and deferred wages) will continue to increase their shareholdings in these companies. By 1985 it is forecast that Britain's insurance companies and pension funds will have another £20 billion a year to invest (they already control a total of £50 billion worth of funds). Workers have virtually no control over how their money is invested and switched from industry into property, from art into overseas companies.

3 The demands of industrialists to



increase the profitability of British industry will continue resulting in the closure of out of date plants or those with spare capacity, new investment channelled into machines and products which require less labour and fewer skills, pressure to increase productivity - all these will lead to permanent unemployment for more and more people.

4 Overseas investment by UK companies is likely to continue to expand (as will foreign investment in Britain)

5 The introduction of new technology eg microprocessors will revolutionise both the manufacturing and service sectors leading to massive job losses - estimates of up to 4 and 5 mil-

lion lost jobs and only partially offset by new jobs created by the new technology itself eg its production, new consumer goods etc (APEX estimate that $\frac{1}{4}$ million office jobs will vanish by 1983, ASTMS calculate that the 1.1 million jobs in banking and insurance will be almost halved by the mid 1990's).

6 Massive cuts in public spending (£2.6 billion for 1979/80) have already been implemented by the Tory Government at both local and national level and further massive reductions are planned into the 1980's. Housing, health, education, social and other services will be run down and jobs lost. Further dispersal of civil service jobs to the regions has also been stopped.

7 The Tory Government's policy of reducing state aid to industry and support for ailing and troubled industries and firms can only hasten closures and redundancies.

As a consequence of all these developments unemployment is expected to rise substantially during the 1980's. It is within this context that the forecasts and proposals of the Regional and Structure Plans have to be seen.

Further job losses

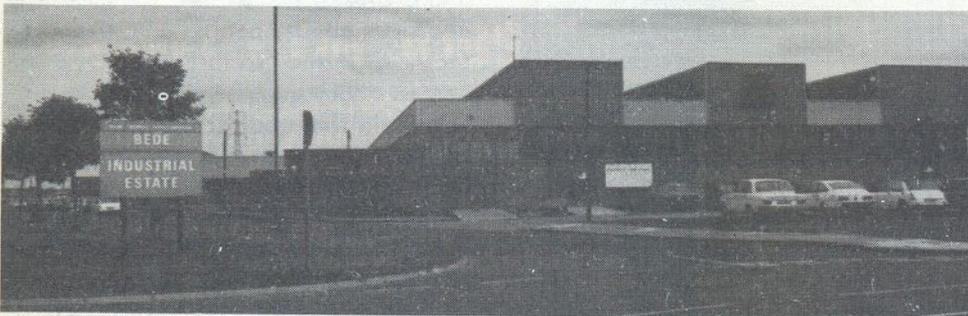
Both the Northern Regional Strategy Plan (1977) and the Tyne and Wear Draft Structure Plan (1978) predict further job losses in manufacturing industry in Tyne and Wear - between 16,000 and 30,000 jobs although employment in service industry is expected to continue increasing. A recent study (The Future of the Northern Region, Durham Union 1979) has questioned the assumptions and findings of these plans. In particular it questions the NRST prediction that the national economy will recover after 1981; predictions based simply on extending past trends; and that a growth in service industry will offset a run down in the older industries - many service sector jobs are part-time, low paid and employ female labour in contrast to the full-time, relatively highly paid jobs employing men which are lost. This will lead to a fall in demand for goods and services and a reduction in purchasing power.

Higher unemployment

This report also states on the basis of the Cambridge Economic Policy Review which predicts Britain's economic growth will be an average of $1\frac{1}{2}\%$ per annum in the 1980's with 3 to 4 million registered unemployed by 1990, that unemployment in the Northern Region will reach 200,000 in the next decade.

There are other crucial factors which both these Plans fail to consider:

- there are considerable doubts whether service sector jobs will increase any further - in fact the same processes which have led to job losses in manufacturing industry will cause job losses in the service sector. (8)



CREATING NEW JOBS

We have to be concerned about 'creating' jobs and not 'attracting' industry. The latter implies that there is footloose industry to attract, that there may well be a loss of jobs elsewhere as a result of moving, or that the jobs provided by industry are 'good' when they may be low paid, low skills with poor working conditions.

For firms which do open factories in the North East the overriding factor is the profit motive. Taking advantage of the existing supply of labour, financial aid and grants, accessibility to supplies and markets are all means to that end.

A study of firms moving into the region (), showed that only a fifth of the movers felt that that recruitment of male skilled workers was a severe problem although some plants had difficulties recruiting staff locally ie staff who did not have to move house on accepting the job.

Another survey (), stated that the urban and natural environment, the cost and availability of housing, the labour relations history of the region, and the actual cost of labour in the area were seen as only marginally important.

The survey revealed an equal number of negative responses as positive ones about the attractiveness of the urban environment. However three times as many respondents thought that Tyne and Wear was 'particularly appropriate' for good quality housing than those who thought it was inappropriate.



Advance Factories in South Tyneside

- the impact of new technology in both manufacturing and service industries.

- increased competition from other regions and cities in trying to attract industry (9)

A projection of current trends to 1981 has concluded that "unemployment in South Tyneside in the early 1980's is likely to be around 12,000 people or 18% of the economically active" (10)

A bleak future. But would it make any real difference even if all the proposals in the Tyne and Wear Structure Plan could be successfully implemented. In other words what would be the effect if all the new and existing industrial land in South Tyneside allocated in the Plan was used up by industry. How many jobs would be created and what impact would this have on the demand for housing?

Plan limits

Development of all existing industrial land in the borough plus the Structure Plan allocation plus land held in reserve would create an additional 7700 jobs (allowing for 100% expansion, 40% warehousing and a density of 70 persons per hectare for manufacturing and 17 pph for warehousing. The Draft Structure Plan proposes 10,000 - 15,000 sq.m. additional office floor-space in South Shields which would

create between 710 - 1070 jobs. (Note that jobs per hectare are based on existing firms and estates - new technology etc is likely to lead to a lower number of workers per factory).

Quite clearly developments in the economy and the continuation of current industrial and economic policies will mean that it is highly unlikely that there will be any large scale creation of jobs in the North East at least during the early 1980's to offset the continuation of closures and redundancies.

CONCLUSIONS

1 Despite claims to the contrary, it is clear that new industry which has come to Tyneside has not generated any significant increase in the demand for housing. Developments in the ownership and control of industry has meant that the vast majority of new factories which have opened in the North East have been branch plants. They are usually production-only plants with a manager and relatively few staff. They are also more vulnerable to closure. Those managers who do move, will see their housing choice as the whole of Tyne and Wear, and possibly adjacent areas in Northumberland and Durham, and not simply South Tyneside. They are usually more mobile and have more company benefits to make slightly longer commuting easier.

2 It is highly unlikely that there will be any significant increase in industry coming to Tyneside during the early 1980's, hence little demand for housing generated by those moving into the area.

3 More private housing, more executive housing, more and better council housing will not directly lead to industry opening new plants in the North East. We have shown that other factors - profit motive, the existing supply of labour, the rationalisation and restructuring of British industry govern the opening and closure of factories.

4 The executives, senior management and boards of companies who make the decisions about opening and closing factories in the North East are not concerned about their own housing requirements in the area for they rarely move. Increasingly North East industry is controlled from outside the region. What middle and lower management is required is recruited within the region or existing staff accept moves as part of 'getting ahead' in the company concerned.

5 The priorities must be to use public and private resources to get more jobs and better housing for working class people already living in South Tyneside and suffering from large scale unemployment and inadequate housing.

6 Much of the talk about the famine and shortage of executive and private housing generally is due to the property world 'talking up' the market to stimulate competition and 'need' ie more and more people want bigger and bigger houses with more and more land. These claims represent the vested interests of the property market using the employment and industrial situation to advance their own interests and create further opportunities for private profit.

There are a large number of jobs provided in the planning, design, construction, improvement and maintenance of housing. Housing policy itself can therefore determine the number and quality of jobs available in the borough. This will be discussed in more detail in Part 2.

PART 2

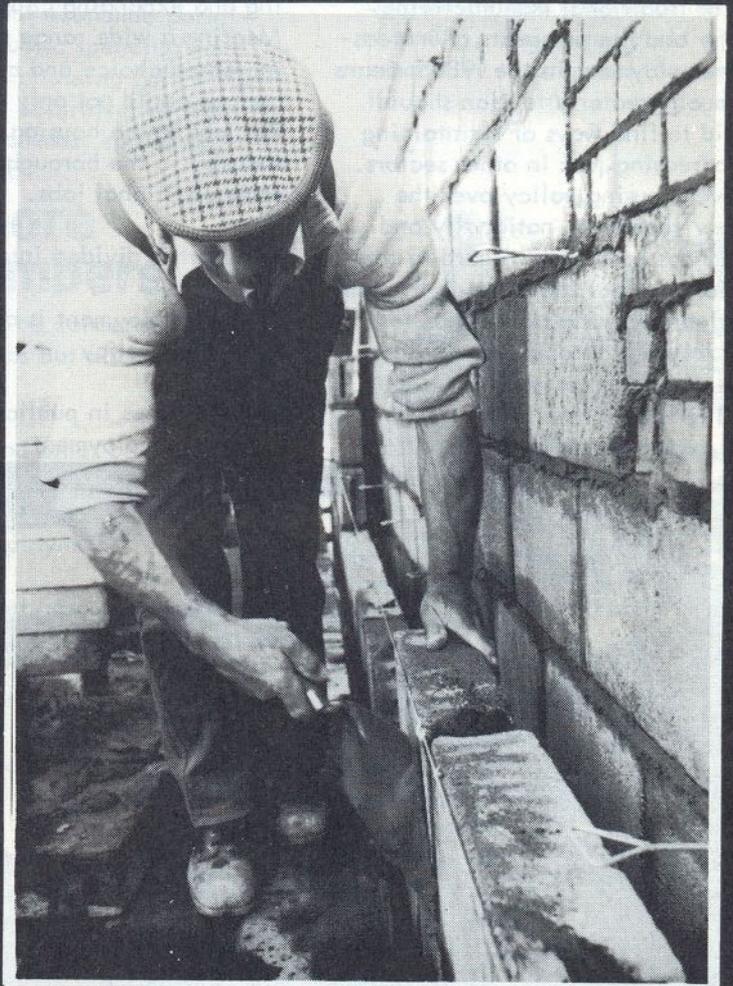
A HOUSING POLICY TO MAINTAIN AND CREATE JOBS

EFFECT ON JOBS

Housing policy, and how it is implemented, both nationally and locally has paid little regard to the effect on jobs — despite the fact that the *rate* of housebuilding and improvement and *tenure* have a direct bearing on the number, quality and social usefulness of jobs in the housing and building industry.

LOSS OF WORK

The recent expansion of the private housing market in South Tyneside has meant the loss of work equivalent to over 800 jobs being transferred from the public to the private sector through the design, construction, management and maintenance of housing. Some loss of jobs has also occurred because the council has lost control over when housing is provided — private builders will build only when they can maximise their profits.



GOOD QUALITY JOBS AND HOUSING

The transfer of jobs from the public to the private sector usually results in less job security, worse working conditions, benefits and training and a lower level of trade unionisation. It isn't simply the number of jobs in question but the quality of the product and services provided and the potential for tenants and workers to have control over design and production. The quality of jobs cannot be divorced from the quality of housing.

REVERSE EXPANSION OF PRIVATE HOUSING

A policy of reversing the expansion of the private housing market and instead concentrating on improving and expanding council housing to meet a wide range of demands, increased choice, and more tenant control could create more socially useful and better jobs. The design, construction, management and maintenance of housing should be undertaken within the local authority.

PART 2

Introduction

The rate of housebuilding and improvement and the tenure of housing have a direct bearing on the number, quality and social usefulness of jobs in the housing and building industry. This is particularly critical in areas like South Tyneside where the decline of traditional manufacturing industry and the prospects of increasing unemployment in the 1980's means that much greater attention should be paid to find ways of maintaining and increasing jobs in other sectors. However housing policy over the last few years both nationally and locally has paid scant regard to this question. In fact the drive to expand the private housing market has led to fewer jobs eg. through long delays in the development of sites transferred to the private sector, some home owners being unable to afford

to carry out proper repairs and maintenance and an overall decline in working conditions and benefits due to the differences between public and private sector employment.

In this part of the report we want to examine the impact of housing policy on the number and quality of jobs provided in the housing and building industry. The main point we want to make is that the policy of expansion of private housing must be reversed and concentration focused on improving and expanding council housing. Meeting a wide range of demands, increased choice and more tenant control could not only maintain existing jobs in the housing and building industry in the borough but create some additional jobs.

This part is divided into four sections

- how employment is affected by housing policy
- differences in public and private sector employment



- detailed effects of the sale of council housing, building for sale and sale of council housing land on employment
- the potential for creating good quality jobs and good quality housing in the public sector.



The new Churchside Estate, South Shields built by the Direct Works Dept.

HOW EMPLOYMENT IS AFFECTED BY HOUSING POLICY

Quality of jobs

The way in which policies are implemented ie by local authority, private builder or housing association and the tenure of the housing built or improved is crucial.

There are four different types of employment affected -

- planning and design - architects and planners together with structural engineers, quantity surveyors, heating and ventilating engineers, landscape architects etc.
- construction
- repairs and maintenance
- allocation or sale - housing department staff or professions like solicitors, surveyors, estate agents involved in buying and selling

Building new council houses can mean additional jobs in the direct works department through constructing, repairing and maintaining the houses (or more private construction jobs if built by private builders). Alternatively building private houses will ensure additional work for private builders which will also ensure repair and maintenance work for the private sector. Policy decisions can have a direct and relatively quick impact on employment.

Policies affect skills needed

The longer term consequences of the implementation, or lack of it, of housing policies. For example South Tyneside has concentrated improvement of older housing in Housing Action Areas and General Improvement Areas which has meant that little investment has gone into other areas of older housing (in HAA's and GIA's 16% - total of 1500 houses - of houses remain unimproved yet 54% - 2500 houses - remain unimproved in longer term revitalisation areas - at end of 1977). This would mean that in the early

1980's some or part of these areas may require clearance rather than improvement - which has a direct implication for the mix of skills required, forward planning of building work, security of employment and so on.

Of course national economic policies eg cuts in public spending have a major impact on housing policy, so have government controls over Housing Investment Programmes, subsidies, loan sanctions etc.

Much more than numbers

We must not just be concerned about the number of jobs but also their quality ie

- wage levels and other benefits eg pensions, holidays
- security of employment
- health and safety and other working conditions
- training opportunities
- level of skills and qualifications required
- level of unionisation
- social usefulness of the work

Who benefits

We must also be concerned about who benefits from the creation of jobs:

- the standard of work and service provided
- who gets the jobs - can they be done by local people in South Tyneside, or Tyne and Wear, or does it mean bringing in people from outside the region; are they jobs for professionals, skilled workers, unskilled workers (which in turn has an impact on the demand for housing)

- who profits financially eg developers, estate agents, solicitors and surveyors involved in the buying and selling of houses
- do other vested interests gain eg politically through new organisations being set up or expanded eg housing associations at the expense of extending council housing
- do they offer potential for accountability and control of the planning, design and building process by tenants and the public



What are the wider effects

- are materials and equipment bought (or leased) locally which will generate further local employment - or are these decisions made outside the region and therefore less likely to have local benefits?
- who gains in the longer term from continuous repairs and maintenance, modernisation and improvement

DIFFERENCES IN PUBLIC AND PRIVATE SECTOR EMPLOYMENT

Construction industry in a mess

There are major differences between the private and public sectors not only for workers pay conditions and benefits but also for the cost and quality of the housing produced. At this point we want to concentrate on the differences in employment conditions. We will examine differences for the production of housing later in this part of the report.

Working in the private building industry

Most workers are only hired on a temporary basis to work on one contract. When their task is finished they are laid off. At least a third of the workforce is out of work for a part of the year. This casual employment is part and parcel of the contracting system. Under it, the lump flourishes.

Under the Lump, work is subcontracted on a labour-only basis and the worker is notionally self-employed. Casual jobs mean high levels of unemployment even during booms. The present slump has led to almost 400,000 construction-related jobs disappearing. Many workers have left the industry altogether - there are currently 9000 unemployed construction workers in Tyne & Wear.

Construction workers do not get a decent basic wage - often bonuses make up over half their pay. During slumps, bonuses are cut, so earnings fall. While private sector wages have on average been higher than the public sector, unions hope to achieve parity on basic rates during 1980.

At best, contractors provide minimal training facilities. Most training is run and paid for by the state. In spite of the chronic shortage of skilled workers, the number of apprentices employed by contractors dropped by over a half between 1964 and 1973. It is even lower now, with many apprentices being made redundant.

The safety record is amongst the worst of all industries. Construction



A joiner in Direct Works working on completing, and putting right deficiencies, in the Old Peoples Home, Beech, St, Jarrow after the contractor went into liquidation.

workers are five times more likely to be killed at work than the average industrial worker. With 181 fatal accidents in 1975, construction accounted for 40% of all industrial deaths. Many many more were injured or maimed. The government's Health and Safety Executive predicts that, unless the situation changes, 2000 more will die during the

next ten years and 400,000 will be injured. Most can be blamed on the working conditions created by management. Dust, damp and poor working conditions also make building work unhealthy. Contractors are loath to forego profits to improve this: site facilities and safety precautions are generally primitive and rudimentary.

Casual employment and scattered sites mean that many workers do not even belong to a union; so it is difficult to fight for better working conditions, a decent basic rate and against redundancies.

Working in a direct works dept

Permanent employment in a DLO removes the detrimental effects of employment on a casual basis.

Permanent employment has led to high levels of unionisation - an important reason for the good working conditions in DLO's.

Because the all-embracing need for profit is removed, DLO's conform better to health and safety regulations and maintain good working conditions and facilities. Accident rates in Manchester DLO are under half those in the private sector, and in Sandwell DLO there has never been a fatal or serious accident.

DLO's offer vastly superior training facilities. They employ over 10,000 apprentices and the larger ones operate extensive training programmes. Manchester employs more than all the contractors in the area put together. This is despite the fact that DLO's are not eligible for the state grant given to contractors.

Permanent employment in DLO's is an effective guarantee against the use of Lump Labour.

Conditions for others employed

Conditions of employment for architects and others involved in the planning and design of housing are less varied between the private and public sectors. However the public sector offers better training, much higher level of trade unionisation, better job security (although this is threatened by cuts in public spending leading to fewer houses, schools etc being built) and potentially greater job satisfaction from socially useful work that is based on meeting peoples' needs and not the private firms profit's treadmill.

DEVELOPMENTS IN TRADE UNION HOUSING POLICY

A central theme of this report is that we do not want to deal with jobs as mere numbers and divorced from housing policies. In fact the two are inseparable. We want to argue against some of the traditional views that trade unionists deal with jobs, pay and conditions; and that tenants and community groups deal with housing policies as it affects them.

There are however increasing signs that these barriers are being broken down. The cuts in public spending since 1975 have led to the labour movement examining the impact of cuts on jobs and the quality and level of services (eg Breakdown: The Crisis in Your Public Services: National Steering Committee Against the Cuts, 1978).

In addition NUPE and NALGO have recently produced reports which have examined housing policy in detail.

"We start our analysis from the basic position that the private housing market, and particularly the expansion of owner-occupation, cannot solve the housing problems of trade unionists and working people generally."

"It is therefore clear that trade unionists have to concentrate on a combination of industrial pressure to raise their real wages, and political action to win a housing policy that will present these economic gains from being eroded and which at the same time will improve the quality of housing."
(Up Against a Brickwall, NUPE/SCAT 1978)

Similarly UCATT have examined the crisis in the construction industry (Let us Build, UCATT 1977) and supported the Labour Party's proposals for some reorganisation of the industry which has

"an appalling record of bad organisation, low safety standards, poor working conditions and general gross neglect of industrial progress which collectively can lead only to contraction and unemployment."
(Building Britain's Future: The UCATT View 1978)

NALGO has argued the importance of public spending in generating employment both nationally (Public Expenditure into the 1980's, NALGO 1979) and regionally in Wales which has many of the same problems of industrial decline as the North East (Public Expenditure: the role of the public sector in a depressed region, NALGO 1978).

However the TUC and the Labour Party were unable to comment on the employment implications of housing policy when they produced comments on the Labour Government's Housing Policy Review in 1977. This is despite the fact that housing is a major source of employment in Britain. For example

Local authority employment - construction	158,586
- housing	53,050
- planning	24,203
Private sector employment:	
new housing construction - public	84,000
" " " - private	95,000
repairs and maintenance	131,000
unemployed building workers	150,000 (Aug '79)
TOTAL	695,839

Source: Housing and Construction Statistics : Employment Gazette.

EFFECTS OF EXPANDING THE PRIVATE HOUSING MARKET ON JOBS

Transfer from public to private sector

As we explained in the Introduction South Tyneside Council has been implementing a range of policies to expand the private housing market. There is no evidence of any analysis by the Council of the impact of these policies on jobs in housing. We now want to examine three key policies - sale of council houses, sale of council owned land and the role of housing associations in the improvement programme, to show just what the consequences are. Part 3 will deal with the financial and social effects of these policies.

Sale of council owned land

The council sold or has agreed to sell 4 major sites for housing in the last 2 years.

Mitchell Gardens	88 dwellings
John Reid Road	200 "
Tweed Street	85 "
Deans Estate	180 "
<hr/>	
Total	553 dwellings

The effect of this transfer from the public to the private sector of design, construction, repairs and maintenance, and management is as follows:

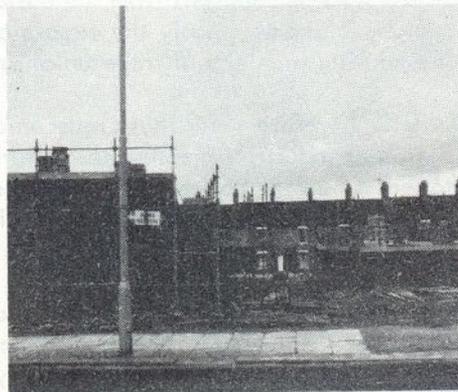
DESIGN

Would normally have been done by the council's architects department but now produced by private architects or builders own architects. The four schemes represent the equivalent of about 3 years full time work for 10 staff in the Architects Department (this includes design and supervision, part time use of other technical workers eg. quantity surveyors, engineers but excluding clerical staff - the numbers will obviously vary according to the size and complexity of the scheme)

CONSTRUCTION

553 new houses will provide employment for 150 building workers for 3 years - based on 193 person days per dwelling, including supervision, for

traditionally built council housing (11). If these sites had been retained for council housing they would probably have been built by private builders - but they nevertheless represent a potential loss of work for the direct works department. The council has lost control over when these sites are built. For example the Deans Estate was cleared and sold to Wm Leech early in 1978 but building has not started 2 years later. This represents a loss of work for building workers in South Tyneside.



REPAIRS & MAINTENANCE

The sale of these sites represents a loss of potential regular work for 9 operatives and 1 staff in the direct works department. (Based on an average of 1 operative per 60 council dwellings when department undertakes virtually all repair and maintenance work, and 1 staff for every 10 operatives). After the sale of land and private building for sale repair work would be done by the owners themselves, friends who are in the trade doing evening/weekend work and by private builders.

MANAGEMENT

553 dwellings represent less than 2% of the total stock of council dwellings and would mean loss of potential work for about 3 staff in the Housing Department.

Estate agents, private solicitors and surveyors would gain work and profit every time the 553 houses were bought and sold.

The Tyne and Wear Draft Structure Plan proposes an allocation of land in the Green Belt and urban fringe for housing for 1200 new dwellings in South Tyneside - with emphasis on private housing. Based on the criteria above and assuming it was council housing this would mean in employment terms:

Design: equivalent of about 3 years full time work for 20 staff in the Architects Department (assuming 8 different housing schemes)

Construction: 330 building workers for 3 years

Repairs and Maintenance: regular work for 20 operatives and 2 staff

Management: 6 extra staff in the housing department.

However if it was private housing then slightly fewer jobs, for reasons outlined above, are likely to be provided and it would depend on the state of the housing market when these jobs were provided.

Sale of council housing

A total of 1118 houses have been sold during the 1970's (816 between 1970-73 and 302 between April 1978 and November 1979).

REPAIRS & MAINTENANCE

This has meant the loss of work for equivalent of 18 operatives and 2 staff in the Direct Works Department doing repair and maintenance work. Because sales are spread across the borough, there is not an immediate reduction in the workforce but over time it could lead to changes in the boundaries for planned maintenance teams. Although new council houses have been added to the stock, the work force is less than it could have been if no sales had been made.

The sale of council houses does mean extra work for legal, surveying and valuation staff of the council (assuming this isn't hived off to the private sector as some councils have done). Also there is extra clerical work involved in processing sales, arranging mortgages, publicity material etc. Often new staff are not taken on (recent freeze on expanding local authority staff) but transferred from other housing duties.) Of course this

is only temporary work because once sold all future sales work is done in the private sector.

MANAGEMENT

The loss of 1118 council houses, representing about 3% of the stock, had meant the loss of work equivalent to about 5 staff in the housing department.

Again when the houses are resold it is the estate agents, private solicitors and surveyors who will benefit.

Using housing associations

South Tyneside has made extensive use of housing associations in the improvement of older housing (the council has also sold several sites to housing associations for sheltered housing for the elderly) partly as a result of central government channeling public funds to the Housing Corporation rather than to councils.

By April 1979 housing associations had acquired 665 dwellings in older housing areas in the borough, primarily in Housing Action Areas and General Improvement Areas.

Except for one small scheme which was designed by the council's Housing Improvement Agency, all the design and building work of new build and improvement work by housing associations is done either by the association's own architects or private architects, and all building work is done by private builders.

DESIGN

Improving older housing requires more staff than building new housing. It has been shown that Housing Action Areas usually each require between 4 - 6 staff and General Improvement Areas between 1 - 3 full time staff just to administer these areas (Organisation and Staff Resources for Improvement, NBA 1977). This study also recognises that these may not be optimum staffing levels and that additional staff will be required when a council owns a substantial number of houses in these areas. Responsibility for improving 665 houses (and further acquisitions planned) represents a major workload which if done entirely by the Council's own multi-disciplinary teams rather than housing association and private archi-

fects could have had other benefits eg increased control and accountability.

The number of design staff involved in improving 665 houses could vary enormously depending on whether the work is carried out for each individual house, in small or large groups, whether improvements are standardised or not etc. Improvement design work is more labour intensive than new building design. It is estimated that improving 665 houses could on average provide equivalent work for about 30 staff in the Architects Department for 3 years.

CONSTRUCTION

Large scale improvement work eg modernising council estates requires on average 105 person days per dwelling (or average of 53 person days per dwelling without structural alterations.) But in Housing Action Areas and General Improvement Areas where there are lots of small, often one-off schemes, then manpower requirements can sometimes be up to double those of new building for the same capital output. Improvement of 665 housing association owned dwellings provides work for at least 225 building workers for 3 years (based on average of 200 person days per dwelling unit and 800 dwellings as some houses will be converted into flats (12). This excludes any environmental works to streets and open spaces. All this work will be done by private builders and re-

presents a loss of work for the Direct Works Department.

REPAIRS & MAINTENANCE

Housing associations usually employ private builders. If the work was done by the council direct works department maintenance of 665 houses would mean work for about 11 operatives and 1 staff.

MANAGEMENT

Housing associations employ their own staff to manage and allocate housing which they acquire. Often this leads to needless duplication of management tasks, additional waiting lists, allocation procedures etc. - and staff are much less publicly accountable than local authority staff.

We have concentrated on examining the impact of the sale of council houses, selling council owned land and the role of housing associations in the improvement programme. But these are not the only policies which have a direct impact on jobs in the housing sector. The use of housing associations to build sheltered accommodation and other new housing rather than the council usually means more work for private architects (or associations own) and private builders. Build for Sale schemes usually have the same consequences - although the Durham Drive equity sharing scheme was built by the direct works department.

TRANSFER OF WORK FROM PUBLIC SECTOR

	DESIGN	CONSTRUCTION	REPAIRS & MAINTENANCE	MANAGEMENT
SALE OF COUNCIL HOUSING			20	5
SALE OF COUNCIL LAND	10	150	10	3
PRIVATE HOUSING DEVELOPMENT IN STRUCTURE PLAN	20	330	22	6
USE OF HOUSING ASSOCIATIONS	30	225	12	

← Jobs for 3 years → ← Permanent jobs →

TOTAL OF 843 JOBS

CAN ALSO LEAD TO A LOSS OF JOBS BECAUSE ● private sector schemes only go ahead when developers can maximise profits which often leads to long delays in development ● many private owners can't afford to do proper repairs and maintenance so work not done ● many owners do the work themselves.

SOUTH TYNESIDE'S DIRECT WORKS

Grew too fast

Since local government reorganisation in 1974 South Tyneside's Direct Works Department (capital works section) has built and modernised several thousand houses. (Value nearly £9m as well as over £1.5m on roads and sewers contracts (13). The Dept. is currently building two school extensions, modernising part of the Queens Road estate, building two housing schemes for the elderly, carrying out remedial work on the Hawthorn Leslies houses on the Lukes Lane estate together with other smaller contracts.

The Direct Works Dept. has been attacked consistently in recent years over claims of 'overspending' and 'inefficiency' both by the local press and by organisations like Aims of Industry, the National Federation of Building Trades Employers and the Conservative Political Centre.

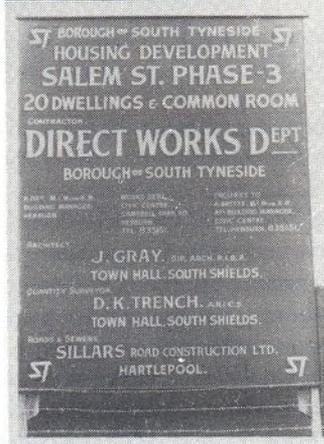
The Department has had a number of difficulties in recent years since the amalgamation of the South Shields, Hebburn and Boldon Direct Works Depts. into one department. The capital works section expanded rapidly from 200 to 600 workers. There have since been redundancies and the workforce is now 250 strong plus 600 in the repairs and maintenance section.

Bad management

A report by the Chief Officers Management Team in 1977 (14) stated "It cannot be stressed too strongly that the disruption caused by reorganisation and the difficulty in recruiting qualified and experienced staff greatly hindered the building up of a technical and administrative team of officers to carry out an expanding work programme".

The Department has been plagued by all the disadvantages that come from too rapid an expansion and lack of sufficient forethought by the previous management.

Other problems identified included



a lack of firm parameters and objectives for the department and a lack of formal political control; disputes between management and the trade unions over the bonus scheme and the mobility of labour led to lack of confidence between management and workers.

But these problems have to be put in their proper perspective and contrasted with the performance of the private building industry.

Lower costs

Despite its problems and counter to the usual overspending propaganda, the Direct Works Dept. still managed to modernise council houses at substantially lower costs than private builders. Comparing six contracts covering 1054 similar houses with comparable specifications divided between the department and 3 builders - Tarmac, Stanley Miller and Derek Crouch - the Direct Works costs were between £1150 and £340 cheaper per house (and that was after allowing for overspending on the original tender price by both the department and one of the contractors).

Overspending by private builders

There is overspending on a massive scale by private builders which is rarely reported in the media. For example at just one Housing Committee meeting in 1978 the council was seeking additional loan sanction of £1.4m because of overspending on 7 council housing schemes (covering 1057 dwellings) being built by private builders (15). Overspending ranged from over £400 to £2500 per house.

Contractors defects

Extensive remedial work also has to be carried out as a result of using private builders. Comfort Systems Ltd. modernised 1270 council houses in Jarrow. However remedial work costing £193,000 is now necessary including demolishing and rebuilding some extensions, underpinning others with structural damage and treating others for water penetration through walls and doors. The council started legal action against the company and eventually settled out of court. Council Housing at West Boldon, Boldon Colliery and Croft Terrace by private builders was also found to be defective. In nearly all these cases Direct Works is called in to do emergency repairs and carry out remedial work.

Direct Works is also called in to pick up the pieces when private builders go into liquidation, e.g. Beech St. Scheme (see opposite page). Defects have also been discovered in 32 dwellings and a common room at Collingwood Street but the contractor has now gone into liquidation and Direct Works are having to do repairs.

Planned maintenance

The repairs and maintenance section are now operating a Planned Maintenance Programme (PMP). This is not fully operational yet because "it is necessary to return the housing stock to an acceptable level of repair by means of a programme of corrective maintenance ... and will cost in the region of £10m (1977 prices).. this will only complete in 10 years those repairs which need to be done now" (16).

Following a survey of all estates in which defects and problems were identified, the borough was divided into zones and a programme of work for each estate drawn up. Despite several estates suffering from severe dampness remedial work was not included in the PMP. Tenants are having to pay towards the costs - 12p of the October 1979 60p rent increase was to help pay for the PMP.

POTENTIAL FOR CREATING GOOD QUALITY JOBS AND HOUSING

Profits first

We stated earlier that it wasn't simply the number or quality of jobs with which we were concerned but also the quality of the product and service provided, the potential for tenants and workers to have control over design and production etc. The quality of jobs cannot be divorced from the quality of housing. Having examined differences in the number and quality of jobs we now want to show that there are also marked differences between the public and private sectors in the production of housing.

The construction industry is in a mess - unemployment and building costs have rocketed while output has slumped. But contractors profits have reached record levels. The main effects of the contracting system in which builders submit bids for projects and then sub-contract much of the work, are

Under the contracting system, design and building are separate. Untried designs are launched by either architects or contractors. Frantic attempts to make a quick profit mean that scant regard is paid to long-term reliability and maintenance costs.

All these features lead to an enormous catalogue of inadequate and costly buildings. Many new council houses are chronically damp because of condensation or water penetrating roofs and windows. A recent study has shown that £200m is needed to put right design and building defects in 60 local authorities.

Profit is made by cutting corners and generally scamping on work. More often than not, contract terms are broken in order to increase profits. Outrageous claims for additional costs are made, which are rarely given any publicity, and completion dates are delayed.

To keep profits high, contractors fix prices through monopolies and collusion with other firms.

Advantages of direct works

Expansion of the direct labour force can lead to a planned building programme and integration of the design and building processes. This would mean tenants, council architects and building workers could be involved in decisions about the kind of housing built - its layout, materials used, type of heating etc.

Direct Works can build higher quality, lower cost buildings than do contractors. Initial high quality means reduced maintenance costs and because Direct Works will repair and maintain the houses they have a direct interest in doing a good job.

Direct Works can also provide a much better repair and maintenance service than private contractors. It can be far more responsive, and much cheaper. Lower costs = lower rents. Firstly, private builders build in order to make a profit. With direct labour as a service charging at cost, the profit element is removed so building, repair and maintenance costs can be lower particularly if red tape is reduced. Secondly, the contracting and tendering system itself costs councils a great deal to administer, and when builders fail to win a contract, they inevitably pass on their abortive costs to the public in the form of higher building costs.

Direct labour under attack

The Tory Government is now turning direct works into trading rather than service departments. A massive and wasteful increase in tendering will occur as all jobs will have to be tendered for in competition with private builders. New reporting and accounting procedures - unacceptable to private firms - are to be forced onto direct works.

Direct works departments will simply become a trading contractor owned by the local authority and unable to tender in the private sector.

South Tyneside Direct Works Department has experienced problems in



Hawthorn Leslie's erected 174 prefabricated dwellings on the Lukes Lane estate. The houses now require new brick cladding, new doors, new brick outhouses and porches and the windows replaced. The total cost is estimated to be £1.6m, or £9049 per house. The Direct Works Department is currently carrying out a pilot scheme on the estate. (17)

BUILDING UP THE SPOUT!

CUT-THROAT competition among private builders, with cash-flow problems in some, has led to thousands of pounds

Ratepayers face huge repair bills

Jerry-built homes that cost millions

A worker in Direct Works repairing a sagging ceiling at the residential home for the elderly in Beech St., Jarrow. The contractor went into liquidation in September 1979 and Direct Works have been called in to finish the job and make good deficiencies - and costing the council an extra £50,000.



UNEMPLOYMENT IN BUILDING

Tyne and Wear May 1979	South Tyneside May 1979	South Tyneside projection 1981
8567	987	1407

Source: Quarterly Industrial Bulletin: Tyne and Wear No. 2/79
Quarterly Industrial Bulletin: South Tyneside No. 4/78

recent years. It has been attacked by Aims of Industry and other right wing organisations. The local press have latched onto these sometimes at fever pitch. Tenants have blamed workers for repairs not being done or delays. On page 24 we examine the background to these attacks, the real causes of problems and the many positive aspects of the departments work.

Unemployed building workers

Having examined the number and quality of jobs and the quality of the service provided we want to show that there is already substantial unemployment in the construction industry locally and this is expected to increase still further.

Unemployed construction workers represent 17% of unemployment in Tyne and Wear. If present trends continue unemployment in construction will rise by a third by 1981.

Construction is not only a large employer, producer and user of materials, it is also a generator of industrial production in many other manufacturing industries. Consequently, investment in construction creates a boost for ancillary industries like furniture,

floor coverings, office equipment, building brick, cement and cast stone, concrete, and the timber industries. When building output falls to its present low level these related industries also inevitably suffer.

Different trades are needed depending on whether the work involves new building or repairs and maintenance.

We have no details to compare the trades needed above with the present breakdown of skills of existing unemployed building workers. Clearly any shortage of skilled tradespeople could be remedied by a training programme. Given the lack of training by private contractors any training programme should be based in the Direct Works Department and run in cooperation with local technical colleges.

Another aspect of the use of private builders is that this doesn't necessarily lead to the work being done by local builders. In the council's approved list of builders for improvement of acquired houses for 1978/79 (Housing Minutes, May 1978) only 2 of the 17 private builders listed are based in the borough - the rest come from Sunderland, Newcastle, Durham, Chester le Street etc.

Expansion of private housing means that the Council loses effective control of when jobs are provided.

Market forces determine this rather than housing need and the level of unemployment in the construction industry

Who gains and who loses

Expanding private housing and the increased use of housing associations means that:-

- private building companies and architects win more contracts
- private solicitors, surveyors and estate agents gain more work through more buying and selling of houses

But:-

- private building workers have less security of employment, worse working conditions and benefits than direct works
- direct works and architects departments lose potential work
- council loses control of when housing and therefore jobs are provided
- use of the private sector and housing associations makes it more difficult for tenants to get an integrated design and building service which is effective and accountable.

CONCLUSIONS

1 A programme which included a reversal of these policies and an expansion and improvement of council housing to meet a wide range of needs and demands could have some impact in reducing unemployment in South Tyneside. Given the existing and projected levels of unemployment in construction and public administration in the borough, there would appear to be people available locally with the skills and experience to fill these jobs.

2 Clearly it is not simply a matter of creating or maintaining numbers of jobs nor is it simply a matter of building numbers of houses and ignoring their tenure. The latter is crucial similarly whether jobs are in the public or private sector - and as we have shown the tenure of housing and the number and quality of jobs are strongly inter-connected.

3 Changes in housing policy can have a relatively quick impact on employment in the housing sector as well as longer term consequences.

DIFFERENT SKILLS NEEDED

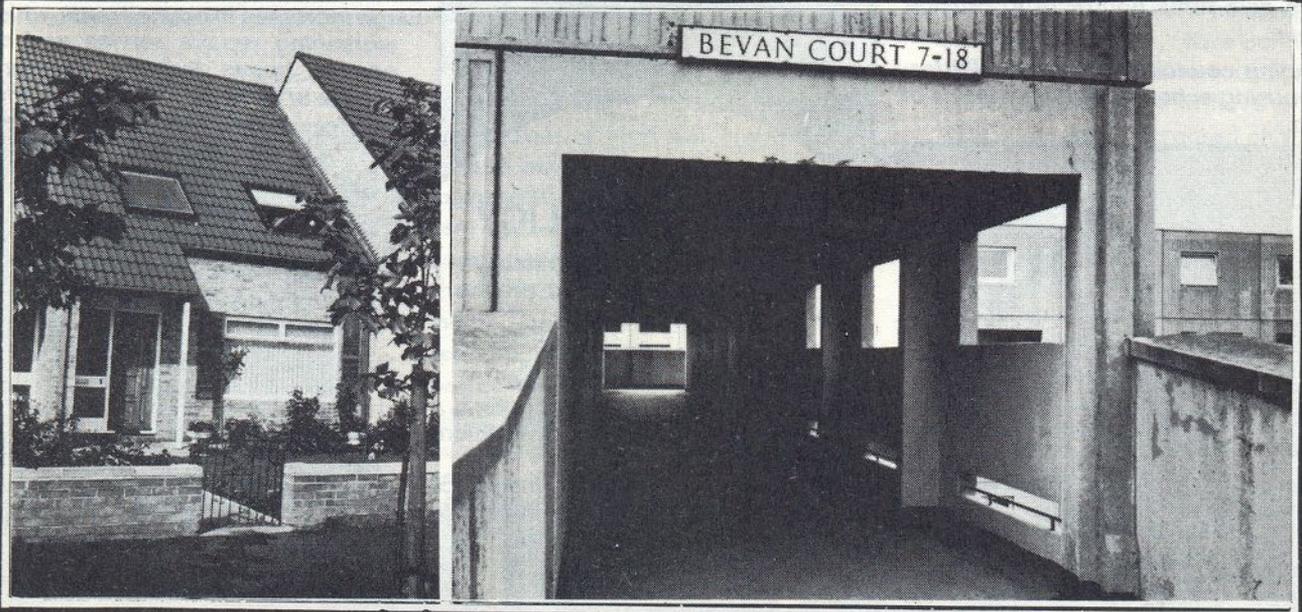
	New Building	Maintenance	Improvement
Carpenter and Joiner	25%	20%	20%
Bricklayers	33%	9%	12%
Plasterer	13%	5%	10%
Painter	15%	22%	17%
Plumber	11%	21%	11%
Electrician	8½%	6%	5½%

The Table shows % of person hours.

Source: Trends in Housing and Construction, NBA 1976
: Programming House Building, NBA 1970

PART 3

CONSEQUENCES OF EXPANDING PRIVATE HOUSING



CONDITIONS WILL GET WORSE

The expansion of the private housing market through the sale of existing council housing, shared ownership schemes, building for sale and sale of council housing land will mean less choice and worsening conditions for tenants.

RENTS UP AND BIG FINANCIAL LOSSES

Waiting and transfer lists will get even longer; rent increases will be much larger; there will be fewer jobs in Direct Works; different interests between renters and buyers could be socially and politically divisive; there will be substantial loss of public money; existing tenants will have less choice and reduced mobility; and sales will create council ghettos as the best houses are sold off.

THERE IS AN ALTERNATIVE

There *is* an alternative to sales. More good quality houses could be built, tenants given security of tenure and an end to all the petty rules and restrictions, a choice of having improvements and alterations done to their homes, major improvements in the design, construction and maintenance of councils' stock of houses, access to council housing opened up and tenants given more information and choice of dwellings. However fundamental changes are needed in order to end the exploitation of council housing by landowners, the building industry and financial institutions. At the same time we have to develop new ideas and visions about what housing could be like, how a wide range of different kinds of housing could be provided and how its design, production and improvement could be controlled by those who build and live in it. Choice and control of housing can be obtained without having to buy it.

CREATING NEW MARKETS FOR PRIVATE ENTERPRISE

Allowing private bus companies to compete with public services on profitable routes.

Allowing private companies to exploit Post Office telephone system e.g. State provides basic system — companies will exploit telephone and terminal market and products resulting from new technology.

Encouraging private hospital development, private health insurance and NHS to give firms contracts to provide services.

Encouraging council sponsored build-for-sale housing schemes and new forms of tenure.

HOW HOUSING POLICY FITS INTO THE TORIES ECONOMIC STRATEGY

CREATING CONDITIONS TO COERCE PEOPLE INTO USING PRIVATE SECTOR

Deterioration in level and quality of public services through cuts which pushes more people into using private health, private transport etc.

Propaganda in media on 'need' and 'benefits' of free enterprise, individual competition, higher profits.

Increasing charges for public services e.g. bus fares, school meals, NHS prescriptions.

Large increases in council rents, which with worsening repairs service and cuts in council house building, pushes more people to try to get into home ownership.

TORY ECONOMIC POLICY

Aims to try to increase profitability of British industry and private enterprise generally by:

- reducing role of the State
- tight control of money supply
- massive cuts in public spending
- controls on overseas investment lifted
- *Encouraging banks, insurance companies, pension funds to invest in private housing.*

SELLING EXISTING PUBLIC ASSETS TO INCREASE AREAS FOR PROFITABLE INVESTMENT

£1000m sale of shares in BP, National Freight Corporation, NEB company holdings.

£200m initial sale of New Town assets — industrial sites, shops, pubs, offices to property companies.

Sale and leaseback of town halls, post offices and other council and government buildings being considered.

Sale of council, new town and housing association dwellings and land to sitting tenants and on the open market.

CHANGING CONTROLS TO MAKE IT EASIER FOR PRIVATE FIRMS TO OPERATE

Relaxation of over 300 local authority controls and requirements.

Abolition of 60 quasi-government bodies (quangos) which give advice and assistance to councils and government.

Scrapping of Community Land Act.

Controls imposed to severely restrict Direct Works Depts to minimise competition for private builders.

Relaxing parts of the Rent Act.

Free enterprise zones to be introduced with few planning controls, reduced rates, tax concessions.

ATTEMPTING TO RESTRICT FIGHTBACK BY THE LABOUR MOVEMENT

Reinforcing existing divisions and creating new ones e.g. within families by pushing women to stay at home to look after sick, elderly, kids — between tenants and home owners — through changes in laws, propaganda in media etc.

Changing laws to try to restrict picketing and reduce other trade union rights.

Increasing public spending on police and defence.

PART 3 Introduction

- Having more houses for sale will stop many young skilled workers from leaving the borough to buy a house elsewhere
- Owning one's home is the only way to get control over how you live in it and to make alterations and improvements to your own liking
- Buying a council house doesn't have any real effects on other tenants.

These are just a few of the arguments used by those who have bought their council house, are considering it or generally think it's a good idea. Having examined the effect of different housing policies on jobs in the production and maintenance of housing we now want to examine the wider social, political and financial consequences of expanding the private housing market in the borough.

We do this by looking at the effects of 4 main policies:-

- Sale of council houses
- Building for sale and shared ownership
- Sale of council owned land to private builders and increasing private housebuilding
- The role of housing associations in building new and improving older housing.

We examine the effects of sales on rents, waiting and transfer lists, other council tenants and estates etc. This is followed by a look at the question of the council losing control over key areas of housing provision in the borough. Finally a summary of who gains and who loses through the transfer of public assets to the private market.

Part of a wider strategy

Before we examine the effects of the various ways in which council housing is sold off three important points need to be made:

Profitable private enterprise

1 The sale of public assets to create additional areas for profitable investment is only one aspect of the Tories' strategy - and it isn't just occurring in housing but also in health, education, and other services as well as in industry. The strategy also aims to create new markets for private enterprise; relax controls and create conditions to make it easier for private firms to operate; minimise choice by increasing the cost but reducing the level and quality of existing public services; and is accompanied by new restrictions and withdrawal of hard won rights to try to diffuse any fightback by the labour movement to preserve and improve the services. The chart on the opposite page explains how these five parts of the Tories' strategy are being implemented and how the various public spending cuts and changes in housing policy eg the run down of Direct Works Departments, new forms of shared ownership, are part and parcel of this broader strategy.



How many of the Queens Road, Jarrow flats will be sold?

Blame the system

2 We have not got to attach 'blame' to the individuals who do buy their council house but look at the system in which housing is produced and allocated. As we showed in Part 1 page housing plays a vital role in peoples lives and their livelihoods. Housing is big business - and council housing is part of this business as it is

dependent on the market system for land, finance and construction. The state is also now having to give added support and aid to the private housing market by eg. guaranteeing markets (on sale of build for sale houses) increasing subsidies, clearing and preparing land for private development.

There is an alternative

3 There are other alternatives to expanding the private housing market. Security of tenure, more control over your own home and surrounding area, greater opportunity to have a house with a garden, increased choice, greater mobility - all of these can be obtained without the personal ownership of housing. The advantages of owner occupation are seen to exist only because they can be compared with the present disadvantages of much council housing. But council housing can and must be improved and expanded to meet tenants needs and demands for more effective control. The council has already built some

good quality council houses. More not less need to be built. On the opposite page we spell out some of the immediate and longer term changes which can lead to major improvements in council housing. Many of them reflect the basic demands which the labour movement started to fight for many years ago. They will not be achieved without struggle and education to convince people that there is an alternative to the treadmill of the private market.

CONSEQUENCES OF COUNCIL HOUSE SALES IN SOUTH TYNESIDE

Longer waiting and transfer lists

As a result of selling 816 houses in the early 1970's, the council has lost 33 vacancies per year for the next 25 years. This happens because each year an average of 4% (national average) of owners who have bought their council houses sell their homes once the resale restriction period ends. These houses are lost forever from the stock of houses which the council has available for letting.

No flats were even offered for sale in 1970 - 1973 and none have been sold in the current sales drive. The waiting list has been increasing during 1978/9 - a 30% increase in the last two years and it is now longer than it was in 1974. Those on the waiting list and the transfer list eg families with

children, the elderly etc living in unsatisfactory accommodation, will have to wait longer because there will be fewer houses and more restricted choice of accommodation, its condition and location.

Some people argue that it is alright for sales to go ahead if the waiting list is low. However, the waiting list is rising, there will be no end to the housing programme (see Part 4), and the sale of council houses itself causes waiting lists to rise. So that argument is not credible.

Sales won't stop migration

It is very unlikely that the sale of council housing will have any significant effect in preventing young families from leaving the borough.

During 1977 only 65 council tenancies were terminated (7% of the total) because the family bought a house outside the borough. (Another 114 tenancies were terminated - 12% - due to the family buying a house within South Tyneside).

Many of the moves to the new towns have been due to the availability of better rented housing and the combination of the loss of jobs in the inner areas and the availability of other jobs in the new towns. Studies of migration have shown that people who move house less than 5 miles, housing is given as the reason in a third of the cases. For moves over this distance housing is of little importance - the main causes are jobs and personal reasons.

Evidence shows that the demand for home ownership itself from council tenants is greatly exaggerated (18). There is however a demand for better housing particularly from fami-

THE ALTERNATIVE TO THE SALE OF COUNCIL HOUSING

This has to be centred on increased choice and more control of better quality council housing. Some of these proposals can start to be implemented now by the council. The cuts in the housing programme, rate support grant and the freeze on council jobs will have a severe impact and will have to be resisted by the council, the labour movement and other working class organisations. However support and effective defensive action can really only be based on a programme of both immediate and longer term improvements to council housing. Some council housing is good, comfortable and in a pleasant environment and represents a positive achievement of working class struggles in Britain. The solution lies in getting rid of the bad and the inadequate and improving and expanding council housing as a whole - not in setting up alternative tenures, expanding housing associations etc. But this will only be achieved through action by tenants, building workers and the labour movement as a whole.

- Build more good quality council houses with a wide range of facilities and services.
- Council housing should be built in attractive locations with easy access to jobs, parks, sports and entertainment etc. The council needs to retain and acquire more land in such locations.

- Set up an integrated design, planning and building service within the local authority consisting of area or district teams of architects, planners, building workers and other technical officers who would be responsible for planning, designing, building, improving and maintaining the council's stock of houses. These teams would be accountable to ten-

ants, trade union representatives and councillors.

- Tenants should be given security of tenure together with the implementation of other proposals in the National Tenants Organisation Tenants Charter. All petty rules and restrictions must be eliminated.
- Tenants should have a choice in having alterations and improvements eg porches added, knocking dividing walls down to make larger rooms, extensions, sun rooms, putting up garden fences etc all of which could be carried out by the council's design, planning and building service outlined above. Flexible payments would operate eg small increases in rent, lump sum payments etc with possible reimbursement when tenant moves.
- Reduce residency requirements and open up access to council housing.

lies living in flats and maisonettes. There is also a demand from people forming new households, eg single people, young married couples. Both these groups are often pushed into home ownership because there is no other choice. The sale of council housing does nothing to solve this problem and will only increase migration as people's choice of decent housing to rent diminishes.

The sales drive in South Tyneside between 1970-73 reached a peak in May 1971 and then dwindled to a trickle two months before the policy was changed. It appears that the effective demand seems to have been satisfied before the policy was ended. People couldn't afford to buy, couldn't get a mortgage and/or didn't want to buy their council house. In the current sales campaign, despite all the talk about thousands of enquiries only 302 (by Nov 1979) have been sold in a year and a half despite all the talk about thousands of enquiries - out of a total stock of over 33,000 dwellings.

Creates council ghettos

Not surprisingly, there have been no sales on difficult to let estates - they already represent over 8% of the stock (2640 dwellings at April 1978). Sales of the better houses only means that the difficult to let estates and dwellings become an even larger proportion of the total stock reinforcing council housing as being second best and further reducing people's choice. These estates also usually have much higher repair and maintenance costs.

Greater social & political divisions

Offering some tenants the chance to become owner occupiers does nothing for 'social balance' - it only changes the tenure of the house. Far from achieving what the Tories claim as "balance" or "better social mix", the sale of council houses will lead in

the longer term to greater social division because the better houses and estates will be creamed off leaving estates like Queens Road etc. as part of second class housing.

In addition divisions are likely to be created, because of the differing interests, between tenants renting, those wanting to buy and taking out an option, those buying part of their house and those buying all of it.

Less mobility

Less choice for existing and prospective tenants with longer waiting and transfer lists will only increase the difficulties in moving within and between local authority areas - particularly important in South Tyneside where unemployment is already over 13% and where people need to be able to move if they find jobs elsewhere in the region.

Higher rents

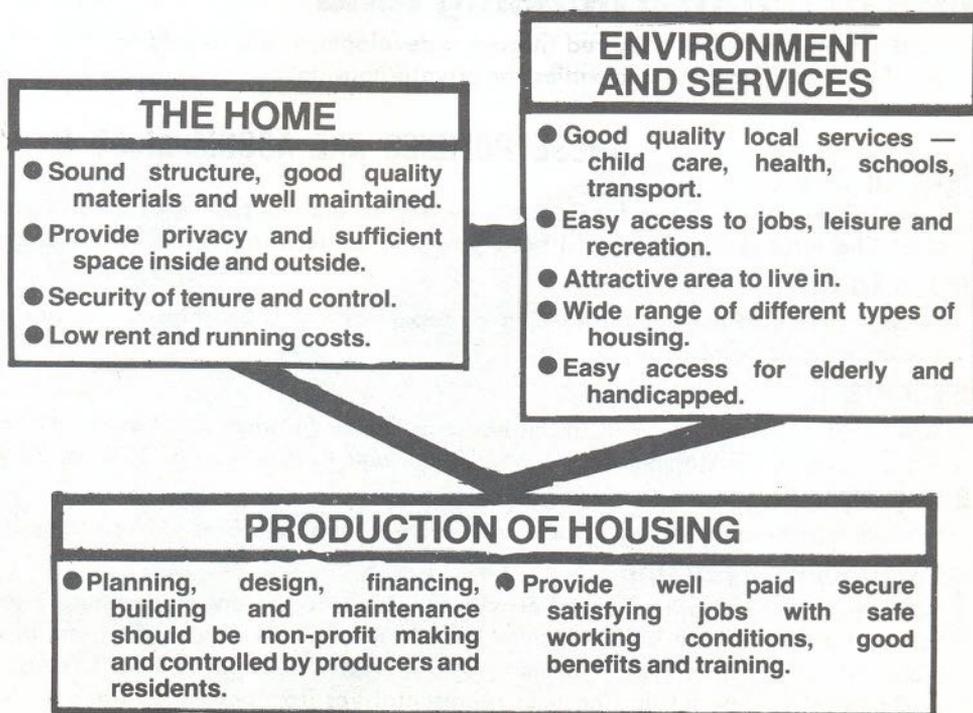
It is usually the older houses which

● New and transferring tenants should be given much greater choice of dwellings and locations with information about the type of houses and flats, type and cost of heating, facilities and services available locally etc. schools, health centres, shops, public transport routes and fares. Tenants should have a choice based on real alternatives. This will hasten the isolation of the poor quality and inadequate council housing.

● More flexibility in the management of council housing eg paying rent weekly, every 2 weeks, monthly etc. which should be possible through use of computers and introduction of new technology - demands will have to be made to control its use to serve tenants and improve the management and production of council housing and not be used to further control tenants.

● These proposals are aimed at maintaining and creating jobs which are secure with good wages and conditions doing socially useful work rather than expanding the bureaucracy and red tape keeping tenants in serfdom in second class housing.

These are all changes which will create some much needed improvements in council housing. However fundamental changes are needed in order to end the exploitation of council housing by landowners, the building industry and financial institutions. At the same time we have to develop new ideas and visions about what housing could be like, how a wide range of different kinds of housing could be provided and how its design, production and improvement could be controlled by those who build and live in it. The diagram below provides a framework to start to develop these ideas as well as help to expose the inadequacies of much existing housing.



THE TORY HOUSING SALES POLICY

Sale of existing council, housing association and new town housing

Purpose built and acquired housing to sitting tenants and offering relets on the open market.

Building for sale by councils, housing associations and new towns

Schemes vary but usually council either owns the land and finance and designs housing and lets contract to builder and houses then sold; or council leases land to developer who designs, builds and sells the houses. Unsold houses are used/bought by the Council. In South Tyneside and Sheffield the Direct Works Department has built housing for sale.

Shared ownership

Covers new council housing, some build for sale schemes and sitting tenants who can't afford to buy outright can buy part of the house eg 25%, 50% or 75%. They continue to pay rent on the other part which can be bought later at the current market price. Occupiers have to pay for all repairs and maintenance.

Community leasehold

An individual buys a 99 year lease from a housing association for half the value of the house using a building society mortgage, rents the other half with an option to buy it later.

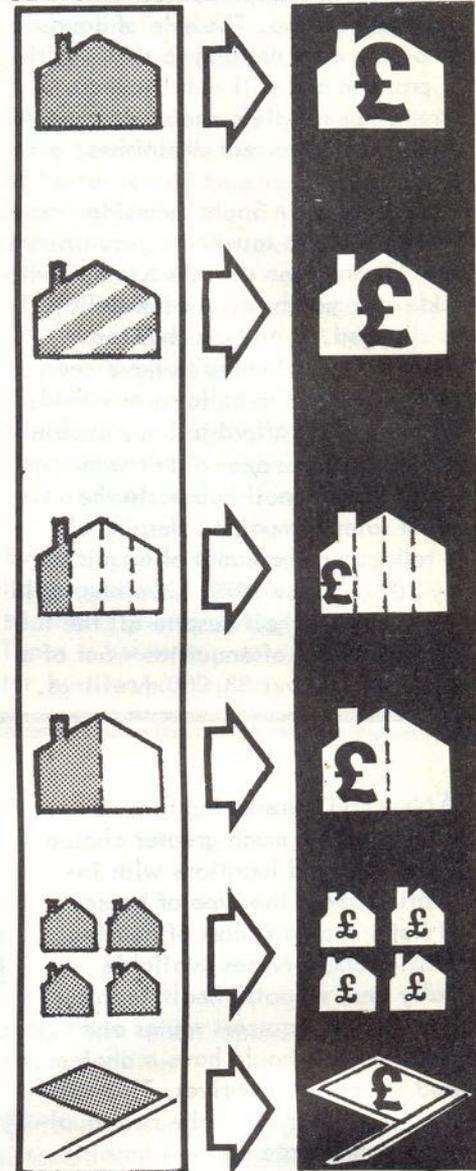
Co-ownership housing

A cooperative or coownership association builds or acquires dwellings which are owned collectively. In some cases individuals can later buy their dwelling at discount and sell later at market value back to the association or other individual.

Sale of council housing land

Land already owned or acquired through redevelopment etc in sold to developers and property companies for private housing.

PUBLIC SECTOR PRIVATE SECTOR



THESE POLICIES ARE ACCOMPANIED BY -

Right to buy

Is one of seven new rights for Council, new town and housing association tenants in the Government's Tenants' Charter. Government will have power to settle disputes and takeover any transaction from local authority.

Option to buy

Tenants unable to pay the high mortgage repayments will be able to take out a £100 option to buy within 2 years with price of house frozen.

Discounts off market price

30% off if a tenant has lived in the house or flat or in other local authority housing less than 3 years, 33%, rising in 1% stages for each additional year to maximum of 50% for 20 years.

Family mortgages

Tenants will be able to buy jointly with up to 3 other members of their household who are living with them

Making money available

Building Societies working together with housing associations eg community leasehold; special build for sale deals with private builders; some keen to rent or sell new housing and blocks of flats bought from councils. Banks allocating more money for mortgages - Trustee Savings Bank will finance council house sales. Government review set up (includes representatives from banks, building society, insurance company and pension fund) to find ways of increasing amount of money for home ownership.

are sold (of the 816 sales 42% were built between 1947 - 50, also a period when space standards were high) and it is these houses which produce a surplus through rent pooling to keep down rents on new houses. But this surplus is lost when these older houses are sold off and the total housing costs are increased when more costly new houses are built to replace those sold. An analysis of the 816 sales shows that there was a net loss to the council of approximately £197,000 in 1977/78 based on loss of rental income and subsidies but reduced maintenance costs. Income from mortgage repayments would have totalled about £240,000 in the same year but this does not benefit the Housing Revenue Account (HRA). Once a house is sold, it is taken out of the HRA and the mortgage repayments from people who buy their council houses to pay off the council's loans. It should be noted that the income from sales declines over time in contrast to that from rent which continues and increases as long as the house remains. So a similar calculation done in say 5 or 10 years time will show substantial losses. For example, it has been calculated that Leeds Council will have an overall capitalised loss of £1.75m (1976 prices) as a result of selling 906 houses in 1975-1976.

Of the 816 houses sold, over half were producing a 'surplus' to keep the rents of new houses down. The loss of this means either an increase in rents for all other tenants or to increase the subsidy from the rates, paid by all residents.

Increases public spending - and big financial losses

Although government subsidy stops when a council house is sold, it then has to grant the buyer tax relief on the mortgage s/he needs. This is clearly always much higher than the cost of subsidies to council houses. Government subsidy through tax relief declines over the years but increases sharply again every time the house is sold - every 7 years on average - while the subsidy to a council house declines steadily in real terms.

Analysis of gains and losses resulting from the sale of council houses in Leeds and Nottingham have shown that small initial gains of a few hundred pounds are quickly transformed in yearly losses of several million pounds both for the Council's Housing Revenue Account and for the Government (19). The sale of over 5000 houses in Nottingham between 1976 and 1979 has meant that although the council gained £1½m each year for the first few years such gains rapidly reduce to zero after 7 or 8 years after which the council loses. The total long term loss to the Council is estimated to be £75m and £2m to the Government.

The Department of the Environment has calculated that by the end of the century losses could vary between £8535 and £2735 per house sold. If

the Tories succeed in selling their target of 250,000 council houses the total loss would be about £1,500 m.

Future losses

The same happens in the longer term when estates on which houses have been sold require extensive rehabilitation or clearance - they won't last forever! The council will then end up buying back the pockets of houses sold years previously at vastly increased cost in order to carry out redevelopment - just like it does in slum clearance areas now.

Loss of work for Direct Works

As we noted in Part 2, the sale of 1118 council houses in the 1970's has resulted in the loss of work or job opportunities for 18 operatives and the equivalent of 2 staff in the Direct works department, through the loss of repair and maintenance work. In the longer term, it also means that the DLO slowly becomes responsible for second class housing - which in turn will mean DLO jobs are increasingly seen as second class jobs.

Selling houses for the elderly and disabled

Councils can now sell homes specifically built or converted for the elderly and disabled - and are 'advised' to 'consider' including a long term buy-back clause. There is already a



It's the older better houses which are sold.

OPPOSITION TO SALES

- "The sale of council and new town houses should be stopped immediately".
(Houses Before Profit, National Tenants Organisation 1979)
- "NALGO opposes the sale of council housing stock in areas of housing stress and discount sales anywhere".
(Housing Policy, NALGO 1978)
- "We believe that the expansion of the private housing market will mean that:
 1. Workers will spend a much higher proportion of their incomes on housing
 2. Council housing will become housing only for the poor with serious consequences for tenants
 3. An increasing amount of public money will be spent on private housing at the expense of council housing
 4. Councils will increasingly subsidise the profits of private developers and estate agents
 5. There will be increased profits for financiers, builders and solicitors, and
 6. There will be fewer jobs in local authorities".
(Up Against a Brick Wall, NUPE/SCAT 1978)

Buyers benefit at public expense

After the 5 year resale restriction ends, owners can sell on the open market. For example 10 former South Tyneside council houses were on sale in the week 6 - 10 February 1978. The 10 houses had been sold to the tenants for an average of £3,421 in 1972/3 but were on sale in 1978 for an average of £11,495 - an average 251% increase in price, assuming of course, they were sold at the shortage of this type of accommodation in the borough (Housing Towards the Eighties, South Tyneside Council 1978) and sales with or without buy-back clauses will only worsen the situation. If an elderly person buys a house now and sells it back to the council in say 10 years time, the council ends up paying the market value at that time which will be at least 2 or 3 times the current value if present trends continue. The owner or their family will gain £10,000 - £15,000 at public expense, the council gains nothing, the money hasn't added to the housing stock in any way but gone in to private pockets.

asking price. This represents an additional value of £8,063 per house which goes to a few individual owners at public expense. The owners would of course not be able to realise all the cash because they would normally have to purchase another house.

The replacement cost of the 1118 houses sold so far would be well over £20 m for land and construction, i.e. about £20,000 per house. But the income from the 816 sales was only £2.7m. The capital write-off of some £2.7m at 1972 prices is worth many millions more at current valuations and represents a loss of public assets, and a reduced security for borrowing by the local authority for future developments.

More bureaucracy

The different types of tenure with varying legal and financial complexities, increased disputes over tenants/owners rights, the increasing role of the state in the private housing market, people buying and selling at different times and so on will create more red tape and bureaucracy.

DISADVANTAGES OF OWNERSHIP

Increased housing costs

Once a council house is bought, owners have to pay out not just the mortgage repayments but also all the costs of insuring, repairing and maintaining the house as well as all the legal and other transaction costs when they move. In addition some who have bought have been faced with large bills from the water authority to pay for separate water supply connections. Those who buy flats also usually have to pay service charges. Many people who do buy get into financial difficulties as they struggle to keep up the payments and keep the house in reasonable condition. Mortgage defaulting is increasing each year - over 4000 families became homeless in 1976 because of mortgage arrears. In the same year

4000 families became homeless in England and Wales in 1976 because of mortgage arrears. In the same year 18% of local authority mortgages were in arrears. With increasing unemployment, declining incomes, and higher housing costs homelessness and mortgage arrears can only increase still further.



Dampness and heating problems at the Laygate Flats

Burden of improvement costs

Since it is mainly the older council houses which are sold, many of these houses will soon require major improvement work due to wear and tear of materials etc. Many owners may be forced to take out second mortgages to finance this work.

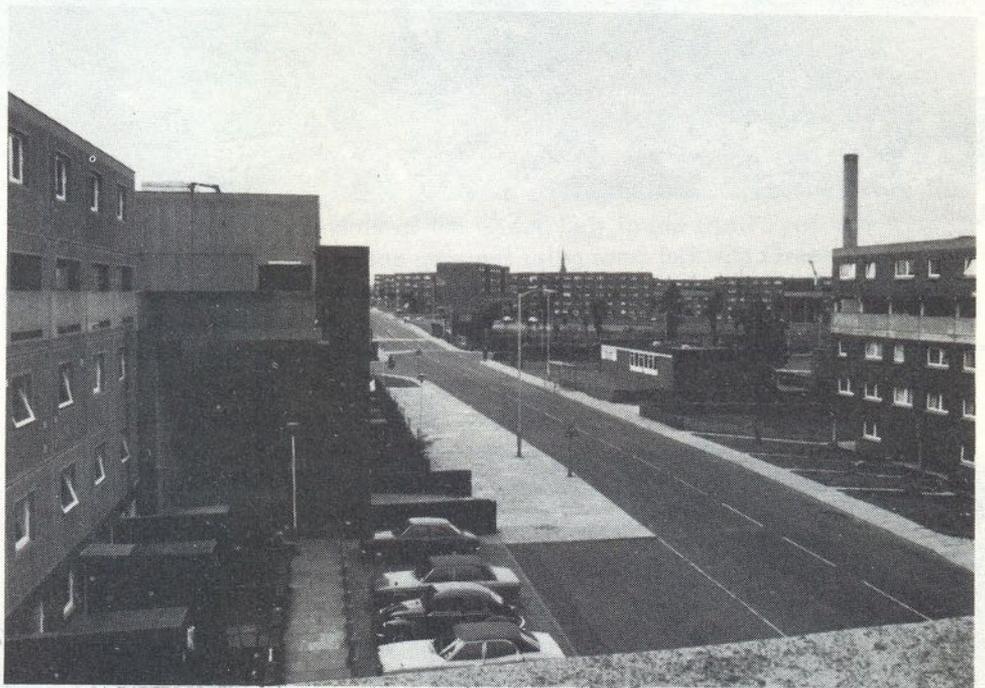
Difficult to sell

The 5 year resale restrictions on all the houses sold in the early 1970's will be ending shortly and it is likely that many owners, particularly where there have been few sales on an estate, will experience great difficulty in selling. Those who buy a share of a house or flat will have even greater difficulty in selling and have even less equity to buy elsewhere. This will inevitably cause financial and personal hardship, reduce their mobility and job opportunities. Despite what many people think, councils are under no obligation to buy back houses which owners cannot sell.

Isolation of home owners

Although owner occupiers face some of the same problems as council tenants - high interest rates, rising building costs, land speculation - the financial position of each owner varies a great deal. There are a large number of institutions involved which means that collective action on issues affecting the cost and financing of housing is very difficult to organise. In contrast, council tenants have a common interest and a common landlord and this has been the basis of many working class gains in the past. Government sales policy will create new and intensify existing divisions between tenants, various kinds of part owners, and house owners.

We have gone into some details about the effects of selling existing council housing as it represents the transfer of public assets into the private sector. But other policies such as building for sale and selling council housing land have virtually the same effect plus other significant disadvantages.



School Street and Tyne Dock Flats - sales of houses will mean tenants waiting much longer for transfers.

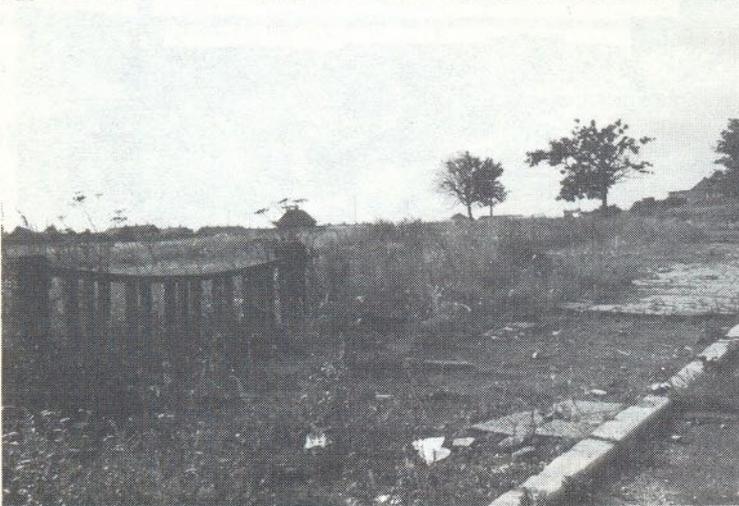
CONSEQUENCES OF BUILDING FOR SALE

Opportunity lost

The Durham Drive shared ownership scheme has meant the loss of 71 houses with gardens (and would have been in demand from tenants) from the lettings pool. Although most of the original buyers came from existing council housing (20) or were private tenants on the waiting list (45) this cannot be repeated. They could have been retained by the council to

help improve the stock of houses generally available to those awaiting rehusing from clearance or improvement areas, those waiting for a transfer from a flat, or allocated to key sector workers rather than selling them to those who wanted and could afford to buy.

The second build for sale scheme at Mitchell Gardens, Harton, has run into trouble. Two builders were se-



Council owned land sold to private builders: Mitchel Gardens (top), the old Deans Estate site (left) sold to Leech's, and Tweed Street, Jarrow sold to Bellway.

lected to build 88 dwellings but there have been numerous delays and the first stage builder wanted the second builder to take over all the development. The builder has also admitted that there are hardly any first time buyers on the waiting list for the houses. Terrace houses are expected to cost at least £12,500 with others ranging from £15,000 - £25,000.

There are also the financial costs not only of administering the scheme

but much more important is the role that many local authorities are undertaking in acting as developers and estate agents and taking the risk element out of the expansion of the private market. Not only do such schemes use public money but the council's staff in the housing, planning, legal, finance, surveyors and valuers departments end up spending an increasing amount of their time creating the opportunities and conditions for private profit.



The Durham Drive Shared Ownership Scheme

CONSEQUENCES OF SELLING COUNCIL HOUSING LAND

Relying on market forces

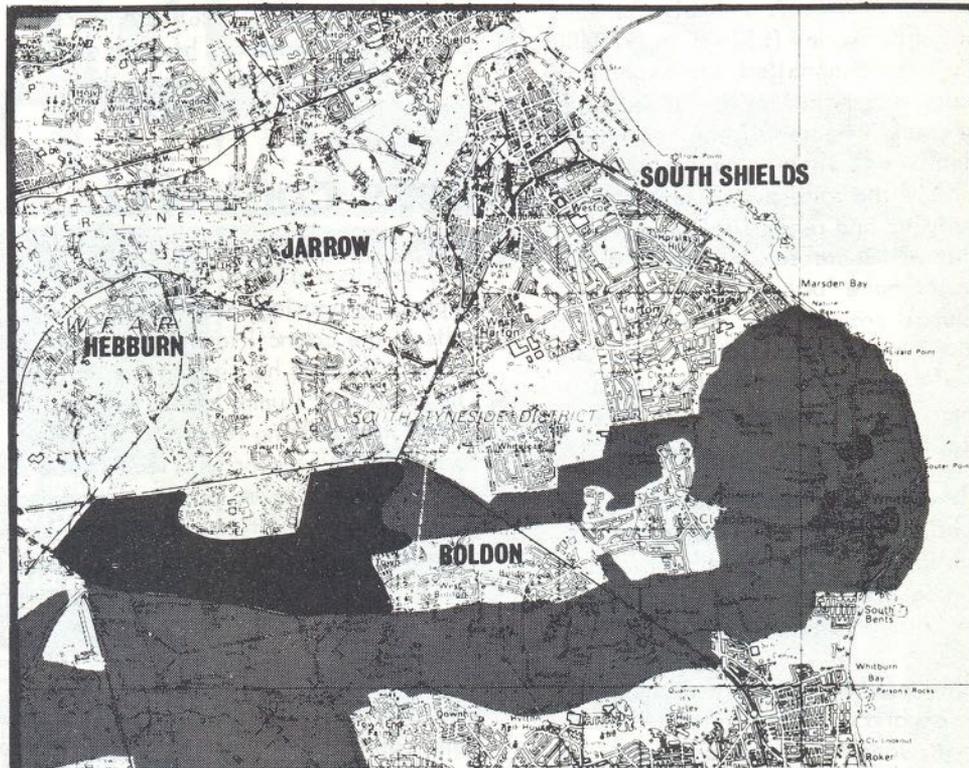
The sale or proposed sale of 4 major sites (total of 550 houses) will mean that those on the waiting and transfer lists will have to wait longer. The council has lost the opportunity to allocate from these lists or rehouse from clearance areas when the houses are built and also to relet them when they become vacant.

The council loses control not only when the houses are built, but also over their allocation. Developers will only build when they can see it will be profitable and will often withhold building if bigger profits can be gained later. The council has no control over who the houses are sold to - it is just adding to the existing stock of private housing in the North East and available to anyone who can afford to buy. So if there happens to be an urgent need for housing related to some specific industrial investment there is no guarantee whatsoever that the private housing market could ensure the supply when it was demanded nor that the people wanting it actually got it. For example the Deans Estate was demolished by the council and the land sold to builders William Leech for private housing nearly two years ago and work on the site started only two years later.

Financial losses likely

Councils often incur a financial loss by selling off land to developers, although we have no evidence in South Tyneside (eg if land was bought at the height of the property boom and resold now when land prices are often still below those of the boom years). Losses occur more frequently when the local authority has to rehouse, clear and prepare the site for development.

Because of the shortage of green field housing land in the borough any substantial expansion of private housebuilding can only occur by selling off land in the clearance areas and/or taking land from the green belt and urban fringe. In fact, the Draft Structure Plan for



Proposed new boundary of the Green Belt in the Draft Tyne and Wear Structure Plan. The Plan proposes using some existing Green Belt and urban fringe land in the Fellgate - Boldon area (outlined above) for new housing (mainly private) and industry.

Tyne and Wear proposes that an area of 55 hectares in South Tyneside may be released for housing in the next 10 years and a further 50 acres held in reserve in case of higher than expected need for housing land.

An area of 80 hectares in the borough may be released for industrial purposes during the same period and an area of 75 hectares is included in the reserve of industrial land. This would be a total of about 260 acres of green belt and urban fringe land being released for housing and industry in the Fellgate - Boldon area. Most of this land would be for private housing. The Plan also states that 'priority should be given to promote private housebuilding in the inner area'.

Both these policies will have serious implications for South Tyneside. The sale of inner city sites will have a major impact on the current and future clearance programme and the

council's ability to rehouse people living in bad and overcrowded conditions.

Municipalisation in reverse - whole estate for sale

The council acquired the 150 houses in Hepscott Estate, Hebburn in 1975 for £405,000. Prior to this almost all the houses had been improved through grant made by the previous Hebburn Urban District Council (max grant was then £1500). Despite this the estate has suffered consistently from maintenance problems and in particular dampness. Many of the tenants are demanding rehousing.

The council has invited tenants (and also the general public) to buy the houses and to then carry out improvement work to the council's specification. Sale of the whole estate to a housing association is also being considered.

CONSEQUENCES OF USING HOUSING ASSOCIATIONS

Limited control and accountability

In the last 5 years a massive amount of public money (£526 m in 1979/80) has been channelled into expanding housing associations at the expense of council housebuilding and improvement work. They now account for 40% of the total public sector housebuilding and rehabilitation work. This will increase still further as the Tories make further massive cuts in council programmes. As we noted in Part 2 housing associations have been used extensively in the borough's improvement programme and have also built some new housing.

Although housing associations use public money they are only semi-public bodies and a number of major consequences arise from their use in the borough and elsewhere.

- they are being used as a key vehicle for expanding other forms of tenure on the ladder to home ownership eg co-ownership, community leasehold. They are likely to be used extensively to implement sales policies particularly if the local authority is resisting selling council housing.

- limited accountability to the council, let alone to the tenants - they are often national and regional bodies which makes local political control difficult.

- there is no evidence that they are more efficient and effective than local authorities - which was one of the claims made by those arguing for their expansion.

- because they use private architects (a few employ their own) and private builders, this means a loss of work for council architects and direct works departments - because the money allocated to housing associations could have been allocated to local authorities to expand and improve their rehabilitation work

- rents of housing association dwellings are usually higher than comparable council ones

- although the local authority has an

allocation (usually 50%) to housing association dwellings, housing associations have also developed their own waiting lists and allocation procedures.

Less control

Expansion of the private housing market, and to a slightly lesser extent, expanding housing associations, results in the council losing control over the provision of housing in the borough. The boom and slumps of the market means that shifting responsibility now to the private sector will lead to the council being forced to take up additional responsibility at some later date in the 1980's. Consequently the council cannot plan for a flow of work for its various departments. As we have shown the council gives up control over when housing is provided, who it is allocated to and relinquishes some control over the type and quality of housing provided. Profitability is again placed before everyone's basic right to have a good quality home.

Who gains and who loses

Briefly, the expansion of the private housing market means that -

- the council loses - financially
- the government loses - financially

- existing council tenants lose - higher rents
- those on the waiting and transfer lists lose - wait longer for less choice
- council workers, in architects, direct works depts. lose - less work
- unemployed lose - fewer jobs and opportunities
- some who buy lose - higher housing costs and increased burden when jobs not secure

So who gains:

- a few wealthier tenants
- existing owner occupiers - more choice
- professionals like estate agents, solicitors, surveyors involved in the buying and selling of houses
- private builders and property developers

CONCLUSIONS

It would seem clear that the call for the expansion of the private housing market has little to do with attracting industry to Tyneside or providing good quality housing for working people. It has much more to do with the property developers, builders, estate agents and other involved in the private housing market increasing the scope and potential to profit out of housing together with the Government achieving political and ideological objectives about individual competition and exploitation and private consumption.



PART 4

THE NEED FOR A CONTINUOUS HOUSING PROGRAMME

NO END IN SIGHT

Talk of the council's clearance and improvement programmes coming to an end, of the housing crisis being over or there being surpluses of houses is dangerous and far removed from reality.

CONSTANT RENEWAL

The housing stock is in constant need of improvement and replacement because of the continuous wear and tear by the weather and by living in the dwelling, and as a result of changing standards and demands. Much existing housing fails to meet people's living needs — already nearly 3000 existing council houses and flats in South Tyneside are difficult to let. Many estates built after the war need improving — they are in poor condition because they were built on the cheap. Further estates will have to be demolished and replaced. Conditions in several areas of older housing are declining while those which have been improved have a limited life. And housing must be provided for the 4500 families on the waiting list.

CRISIS GETTING WORSE

Further closures and redundancies in industry, more severe cuts in public spending, spiralling house prices and more policy changes to expand private housing will only deepen and intensify the housing crisis.



PART 4

Introduction

We now want to examine the councils current housing programme into the early 1980's, and to show that there is a need for a continuous and substantial council housebuilding and improvement programme both in South Tyneside and nationally. We want to show that talk of an 'end' to the council housebuilding and clearance programmes is a dangerous myth and far removed from reality.

First it is essential to establish some key points:-

1 It is vital to take a longer term view ie. 20-30 years. It obviously make practical sense to have 5 yearly programmes but they should be part of a wider and longer term programme otherwise they become ends in themselves and are used for short term political gain.

2 The housing stock is in constant need of repair and maintenance, improvement and/or replacement because of the continuous wear and tear of materials and the structure by the weather and by living in the houses. The modernisation and improvement of older council housing is now a permanent feature of councils' housing programmes. Many estates have had to be demolished. There is also an increasing amount of disrepair in owner-occupied housing. All the signs are that there will be a return to slum clearance in the 1980's which will be concentrated in council estates and owner-occupied housing rather than privately rented housing as in the past.

3 The standards of space and facilities required in the home also change over time as people's demands and pattern of living change and expectations rise. There are also demands for different types of housing from, for example, the increasing number of single person households, those wanting to share housing and care for children.

4 The housing crisis isn't over; there aren't vast surpluses of houses despite all the propoganda in the media. In fact the opposite is the case. Waiting lists are increasing, the number of existing council housing which is damp,

badly designed and/or built and is therefore difficult to let is increasing, house prices are increasing rapidly. Yet the amount of money invested in new public housebuilding, improvement and maintenance has decreased substantially over the last five years and further massive cuts are planned.

Under the Council's current programme:-

- Council housebuilding will decline from 580 dwellings in 1977/78 down to about 100 in 1982/3.
- The number of people rehoused as a result of the clearance programme is projected to decline from about 650 in 1977/78 down to 0 in 1982/3.
- The council will have modernised all the pre 1937 council dwellings by 1983.
- It is planned to improve 6597 dwellings between April 1978 and March 1983, (combined action by the council and housing associations) leaving only 412 substandard houses requiring improvement.

We now want to examine the improve-

ment of older housing, modernisation of older estates and council housebuilding in more detail.

Improvement of older housing

The council's Housing Investment Programme (HIP - the council's annual bid to the government for permission to borrow money for the housebuilding and improvement programme) assumes that no additional houses will become substandard between 1978 and 1983. This would be a truly remarkable feat under the circumstances and is in stark contrast to what other councils expect in the rest of Tyne and Wear.

The concentration of resources into GIA's and HAA's in South Tyneside has meant that other areas are in fact getting very little investment. Two thirds of all unimproved houses (April 1977) are in fact outside GIA's/HAA's - the vast majority are in the longer term revitalisation areas where the percentage of unimproved dwellings increased from just



Crisis isn't over

	Unfit Dwellings	Fit dwellings lacking one or more basic amenities.	Dwellings becoming sub-standard 1978-1983.	Council dwellings difficult to let	TOTAL	% of dwelling stock
South Tyneside	2400	4200	0	2600	9200	14.7
Newcastle	6000	2500	1300	4800	14600	12.9
North Tyneside	1200	3200	2300	6100	12800	16.2
Gateshead	1700	2700	500	3300	8200	9.8
Sunderland	900	4500	100	2700	8200	7.5
Tyne and Wear	12200	17100	4200	19500	53000	11.9

Based on District Council HIP submissions 1979/80

Source: Report of Survey (1978) Tyne and Wear Structure Plan.

under 50% to 54% between 1975 - 1977. Clearly, unless investment is channelled into these areas, then they could become the clearance and or major improvement areas of the 1980's. (20)

There is also the question of the standard of improvement work and whether houses improved will in fact last the full 30 year life. Difficulties in keeping within the cost limits set by the Dept. of Environment has led to cutting down on both quality and quantity of materials. In addition, houses improved in the late 1960's and early 1970's have already had about a third of their improved 'life'.

Increasing disrepair

The 1976 English House Condition Survey (21) revealed a very large increase in the number of houses which were classified as being fit but requiring £1000 (1971 prices) or more repair work. In 1971 just over seventy five thousand dwellings were in this category but five years later this had jumped dramatically to 337,000 dwellings. It is also important to note that an increasing amount of disrepair is concentrated in owner-occupied housing. Of nearly two million dwellings requiring repairs of over £500 (1971 prices) in 1976 four out of ten were owner-occupied - a 42% increase in just five years.

The costs of repair and improvement have increased rapidly recently. Even with improvement grants, 40% of owner occupiers in housing in poor condition would need the equivalent of a year's income to bring their dwellings up to full standard (22)

Impact of the cuts

The data on disrepair was collected before Labours cuts in public spending had any real impact, let alone those now imposed by the Tory Government. In areas like South Tyneside feeling the brunt of closures, redundancies and increasing unemployment it is highly likely that owner occupiers on low incomes will have increasing difficulties in maintaining their homes. This can only hasten the need for major improvement and/or clearance in the 1980's.



Top. The Green Lane flats which the council is considering demolishing and the Owen Street estate which is to be cleared.

Demolition of more council estates

There are already 2640 'difficult to let' council dwellings - 8% of the total stock - and this is likely to be a conservative estimate by the council. Estates include School Street, Queens Road, Tyne Dock, Laygate Flats. This figure can be expected to grow as increased demands and rising expectations about housing conditions lead to further dwellings being considered unsatisfactory.

"As housing standards rise in the 1980's and the council housing stock is increased, there will be an increase in stock that it is difficult to let. Such stock is likely to be of obsolete design, for example some high rise flats, of poor quality such as some older pre-1939 accommodation or situated in areas of poor housing environment". (23).

We have already noted that the Deans Estate has been demolished.

The council has already agreed to demolish the Owen Street estate and has considered similar action for the 120 flats at Green Lane because of basic design faults.

Demolition of 70 dwellings is also proposed as part of a £3m improvements scheme for the 557 flats and maisonettes on the Queens Road estate in Jarrow. This scheme is a desperate attempt to improve conditions and put off having to bulldoze the whole estate. The council has several hundred prefabricated dwellings which, while still structurally sound, have already caused many repair problems.

All councils now have to face up to the fact that the obsolescence of the existing stock is now a permanent feature of council housing i.e. the council not simply demolishing the traditional slums of mainly privately rented housing but also housing which it has built itself. This means that replacement housing will have to be built. The impact of the cuts in public spending in the 1970's and those taking place in the early 1980's will only hasten the deterior-

ation of existing housing and increase the need for renewal.

The sale of council houses on any large scale, resulting in the better houses being sold, will mean those houses and flats which remain will have higher repair and maintenance costs per dwelling, placing an additional financial burden on the council which could in turn lead to increased deterioration of certain estates.

While the pre-1939 estates will have been improved by 1983 if the current programmes remains intact, this still leaves those built after 1945 i.e. some will be 30-35 years old and in need of improvement.

The need for more council houses

We pointed out in Part 3 that the waiting list is getting longer, not shorter - now over 4500, and many more people generally want a council house than apply to go on the waiting list.

The table on page 40 shows that there were still 9200 deficient dwellings in South Tyneside in 1978.

The Housing Investment Programme submission for 1979/80 states that of the 6600 sub-standard dwellings 1800 would be cleared and 4400 improved between 1978-1983 leaving 400 still to be dealt with after this date plus those becoming sub-standard within this period. The Structure Plan for Tyne and Wear estimates that a further 9000 dwellings in the county will need to be cleared between 1983-1991; this is the same annual rate as for the 1978-83 period. The Draft Plan estimates that 4200 dwellings will be cleared between 1978-1991. Clearly clearance and rebuilding is going to have to continue throughout the 1980's.

No surplus

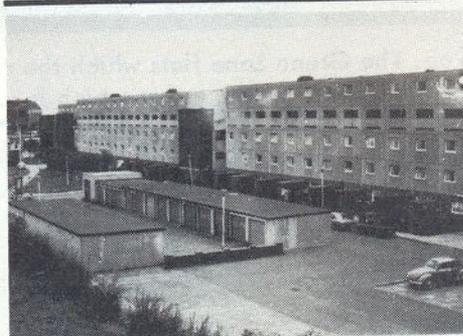
The Draft Structure Plan predicts that the population of the borough will fall to about 151,200 by 1986 and fall a further 2000 by 1991. There will be a further decline in household size and an increase in the total number of households with many more single people seeking

accommodation. So there is unlikely to be any surplus of houses despite a declining population.

No end in sight

While migration from the borough is likely to continue, mainly for employment reasons, it is extremely difficult to predict the rate with any accuracy. If the predictions of mass unemployment of up to 4 - 5 million in the late 1980's (see part 1) come about, then it can be argued that migration is likely to decline because although areas like the North East will be hit hard, there will not be the jobs in other parts of the country to move to - opportunities elsewhere simply won't exist.

The above figures were calculated on the basis of existing targets being met - but even while these estimates were being made, the housing programme nationally was deteriorating fast. Council



Top. School Street estate. Middle. Laygate flats. Bottom. Tyne Dock estate.

house building in 1978 fell to the lowest level since the war and further cuts of 30% are expected to bring to the annual total down to 40,000 per year. The calculations also did not take into account the further massive cuts now being made by the Tories nor the consequences of council house sales.

House prices are spiralling at a rate of 25-30% annually. Another property boom will lead to increased demand for council housing as it did during the last boom in 1972/73.

CONCLUSIONS

Certain facts are clear: there is an existing need for more and better housing; the maintenance, repair, improvement and renewal of the council stock of houses has to be an ongoing process to prevent condition deteriorating; there is an ever changing pattern of household formation and changing demands and standards mean that there has to be a substantial and continuous housing programme - it can never end.

The next few years are likely to see increased demands for a redefinition of unfit and substandard houses. For example, difficult to let estates cannot simply be classified according to slum criteria laid down in the 1957 Housing Act. There will be demands for better heating, housing to be free from damp etc.

We believe that there will be a need to return to large scale clearance in the 1980's due to cuts in public spending and the failure of the improvement programme to deal with the scale of the problem. It will be vital that this is carried out in a way which does not repeat the problems and consequences of clearance in the 1960's.

The kind and quality of housing built in the 1980's is a crucial issue. We don't want housing built in the 1980's to become the first slums of the 21st century. In the next part of this report, we want to examine ways in which more better quality council houses can be built which will mean that peoples needs and aspirations can be met.

PART 5

HOUSING IN SOUTH TYNESIDE IN THE 1980's

NEW PROBLEMS

As well as housing problems intensifying through the deterioration of the existing stock coupled with fewer houses being built and improved, there will be additional personal and family pressures within homes exacerbating existing inadequacies and creating new housing problems.

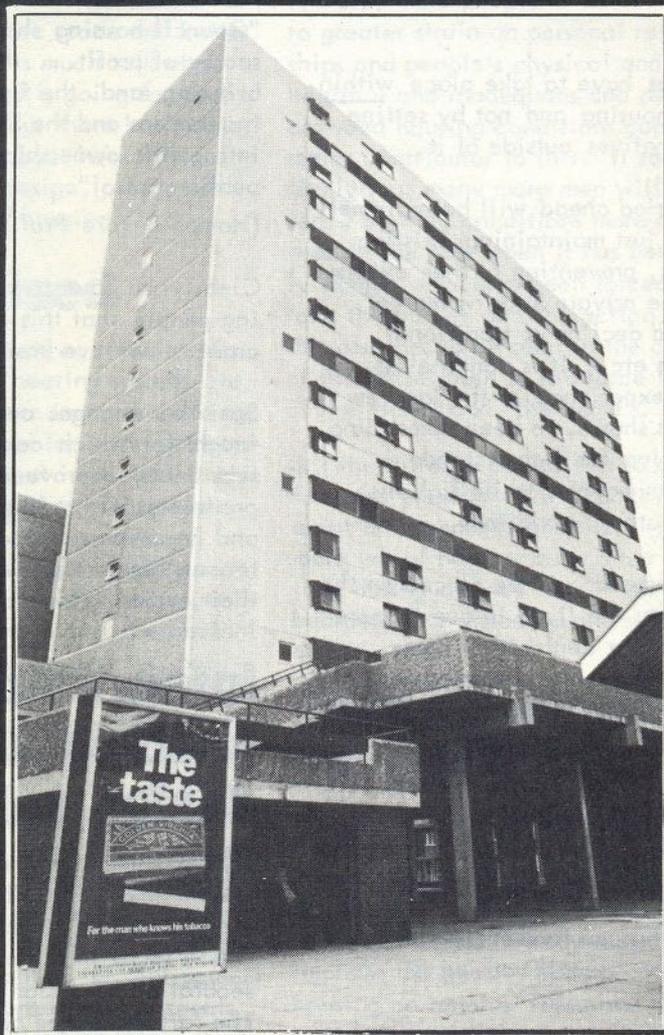
Increasing unemployment and the introduction of new technology eg silicon chips, could lead to changes in the way homes are lived in eg greater overcrowding as more people are centred at home, the increased use of games, gadgets and telecommunications in the home. In addition cuts in public spending will mean greater care of the ill, elderly and children will be forced on women in the home. Meanwhile as council housing is pushed into a welfare role its production and management could become even more standardised.

CHOICE AND CONTROL

The key issue is to get more choice and more control within council housing for all tenants.

ACTION BY THE LABOUR MOVEMENT

This can only be effectively achieved through both immediate and longer term changes to increase the number and improve the quality of council housing. These should include setting up integrated teams to plan, design, build, improve and maintain the council's stock of houses under tenants and trade union control; major changes in the way that redevelop-



ment is carried out; implementation of a full and effective tenants charter. There is also a need for a borough-wide Residents and Workers Housing Plan prepared by the Labour Movement which would assess existing conditions and needs, resources required, and make recommendations to get major improvements in housing conditions for working class families in South Tyneside.

PART 5 Introduction

We have outlined the need for a continuous council housebuilding and improvement programme - but it is also equally clear that we do not simply want more of the same.

- improving the quality and control of housing is equally important as reaching an adequate supply of housing.
- changes have to take place within council housing and not by setting up alternatives outside of it.
- the period ahead will be extremely difficult just maintaining existing standards, preventing further expansion of the private housing market, continued decline of traditional industries etc. It is nonetheless vital as experience of the last few years has shown, to keep demanding and working for higher standards and improvements, while fighting cuts and other restrictions.
- new demands will be placed on the way houses are lived in due to more people being centered at home through increasing unemployment and also through the introduction of new technology eg. more gadgets, working from home.

So how do we get better housing

Firstly, through fundamental changes in the way council housing is financed and built:

"We accept that council housing has fallen far short of its potential. It

has largely been used as a safety net to compensate for the failures of the private market, and has been hamstrung by having to compete for land in the market place; by having to borrow money from the city institutions and banks in order to pay for construction work; and by its reliance on private construction forms which are aiming to maximise their profits". (Up Against a Brick Wall, NUPE/SCAT 1978)

The National Tenants Organisation have also demanded that: "Council housing should not be a source of profit... then this means bringing land, the financial institutions and the building industry into public ownership with effective public control". (Homes Before Profit, NTO 1979)

Clearly we have to keep on convincing people that this is essential in order to achieve basic changes.

But other changes can also be fought for which could bring about substantial improvements in the production of housing, the clearance and improvement process, and in tenants rights and their control over their homes. These changes should include:-

Integrated building and design service

- Getting rid of the contracting system in which builders and Direct Works compete for contracts and which leads to a hierarchy and separation of design and construction. The failures of the contracting system have been detailed elsewhere ()

and were summarised in Part 2.

The real alternative is to have Direct Works as a service department which would be part of an integrated building and design service. This service would consist of area or district teams of architects, planners, building workers and other technical officers who would be responsible for planning, designing, building, improving and maintaining the council's stock of houses. These teams would be accountable to tenants and trade union representatives. This will enable tenants to be involved in the design and building process and could lead to better cheaper houses and meeting tenants' needs. This is the only effective way to ensure that the disasters of high rise living and prefabricated concrete jungles are not repeated again. Accountability and control by those who build and live in the housing is essential. This is possible in council housing unlike private housing which gives virtually no control over the standard type and cost of housing other than through market forces.

Community Based Renewal

- The way that clearance and improvement are carried out should be changed to give tenants and residents more control over the process and the final product. For example, clearance should be carried out by Community Based Renewal which is a method of organising and phasing clearance and redevelopment of housing to secure local rehousing, tenant involvement in the planning, designing and building processes, the building of housing and facilities to meet the specific needs of



Council housing in South Tyneside



particular communities. In Part 4, we showed that clearance will go on during the 1980's. It is essential that the process is changed in order to gain better housing meeting people's needs.

Tenants Charter

● The National Tenants Organisation Tenants' Charter should be implemented which includes giving security of tenure, tenancy agreements free from petty rules and restrictions, giving succession of tenancy etc. Tenants should also be able to carry out modifications and alterations to their homes - these could be designed and carried out by the area teams noted above. More control is feasible and essential - a council house can be a home without having to buy it.

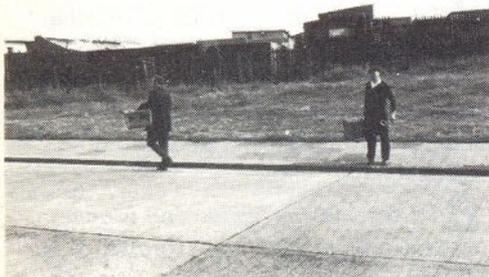
Increased public spending

● We need more, not less public spending to finance these changes and the public services generally.

"There should be a rapid and sustained expansion of the public service sector in depressed regions with the aim of securing a rise in employment opportunities and an increase in the quality of the public services". (25)

"What is now required is a restatement of the need for and the value of a dynamic public sector, a shift from a defensive to an offensive trades union stance on the question, and a reassertion of the basic aims of public expenditure and the social wage". (26)

And despite what the Tories and the media say, there is money in the Country to pay for these improvements.



Council housing in South Tyneside

Many billions of pounds could be obtained through changes in company taxation, the collection of taxes due from large companies, a wealth tax, and other sources.

Impact of new technology on housing

Large scale unemployment in the 1980's will mean that many more people will spend their lives centred almost entirely around the home - this will lead to further demands for more space and better conditions. There is much talk about how new technology is going to result in large job losses but there has been very little debate about how it is going to affect the use, design, production and management of housing.

Standardised

New technology itself eg silicon chips, new energy saving heating systems etc could be harnessed to improve working and living conditions for working people but its development in the existing capitalist system, and at a time when major policy shifts eg expansion of private health, housing etc spells a number of dangers. Firstly, as council housing is pushed more and more into a welfare role with less and less political commitment to build good quality council housing then the argument will be that it could become more standardised. This could lead to the use of computer aided design and specifications to churn out basic plans and designs. Secondly, the management of council housing could become more repressive through the extension of the current use of computers for rent payments and allocations to other aspects of management, collecting information on tenants etc.



More people centred at home

Thirdly, with increasing unemployment brought about by the economic crisis and the introduction of new technology in industry together with the shorter working week more and more people will be centred at home. New technology, through the use of gadgets, games and telecommunications is likely to be used to help keep the unemployed occupied and isolated at home.

Thirdly, more people at home will lead to greater strain on personal relationships and people's physical and mental health - and inadequate and overcrowded housing conditions can be a major contributor to this. It seems likely that many more men will experience housing conditions more directly than in the past when it has been mainly women who have been forced to take the burden and the action. All this also has to be seen in the context of the Tories push to reinforce the role of the family and "the home".

All these trends could lead to demands for more personal living space, different arrangements and use of rooms eg more use of bedrooms for other activities during the day time - yet many bedrooms are unheated and suffer from damp.

Fight to control its use

It is certain that tenants and residents, trade unionists will have to fight to control how new technology is introduced, how it is used and what it is used for. It has to be harnessed to improve the quality and quantity of housing on tenants' terms and to help solve some of the problems its introduction creates.



ACTION BY THE LABOUR MOVEMENT

Housing is a collective responsibility

The struggle for decent housing cannot be divorced from the struggle for decent wages and conditions at the workplace. That the level of rents and wages, the number and quality of jobs involved in producing and improving housing, the type and quality of housing, the level of service on repairs and maintenance are all bound up together.

The Labour Movement has a collective responsibility, as for other services, to campaign for more and better housing. But unlike many other public services, eg. health, education, where trade unions represent workers in one particular service, the situation is different with housing. UCATT, NALGO, NUPE all have members working in the housing sector but they form only a relatively small proportion of the total membership consequently no one union focuses attention on housing policies. Because of this situation we believe that Trades Councils have a major responsibility to be involved in housing issues. Several other Trades Councils have recently set up Housing or Planning Sub-committees eg. Coventry, Leeds, Edinburgh, Burnley and more recently North Tyneside and Gateshead.

Defend and demand

It is only through combined action by the Labour Movement as a whole eg. trade unions, trades councils, tenants associations and federations, womens groups, claimants unions can housing policies be effectively challenged and changed.

Residents and Workers Housing Plans

We have argued for integrated area/district design, building and maintenance teams to be set up as a crucial means of improving the quality of council housing. But there is also need for the Labour Movement to tackle all aspects of housing policy, building resources etc. at the borough wide level. Just as Workers Plans are being

put forward by combine and shop stewards committees to produce socially useful products, maintain jobs and use resources creatively so Residents and Workers Housing Plans (27) could, for example -

- develop ideas and visions about what housing should be like with people having choice and control.
- carry out a new analysis of housing problems based on peoples needs and aspirations and not simply on the state's narrow definition of unfitness. It could look at the scale of dampness and heating problems, design and building defects, children in high rise/high density flats, needs of the elderly and so on.
- investigate the resources available locally to improve all aspects of the production of housing eg skills needed, training and apprenticeship schemes.
- monitor the implementation of the Tyne and Wear Structure Plan and South Tyneside Council's local plans and their proposals for housing and jobs.
- examine further the likely impact of new technology on the production and use of housing.
- develop ways of building new alliances between Labour Movement organisations and action strategies.

The advantages of Residents and Workers Housing Plans are that they can be a means of -

- developing much needed alternative policies to the expansion of the private housing market.
- planning housing programmes and the use of resources at a time when the Tories are doing less and less planning and relying on market forces.
- drawing together the producers and consumers of housing in order to improve the design and quality of housing, get maximum usage of skills, materials and other resources.

As a first priority the Trades Council has decided on four main areas of activity:

Role of the Trades Council

There are four main areas of activity for the Trades Council and the sub-committee in the months ahead.

● to assess current housing and planning issues and policies and their impact on working people in the borough and to put forward alternative policies and campaign for their implementation.

● to develop a better understanding through education and propaganda of alternative policies, the effects of cuts etc.

● to give support to tenants and community groups' campaigns on housing and planning issues and to initiate campaigns around specific issues.

● to encourage collective action by various organisations of the labour movement (trade unions, tenants groups, claimants unions, labour party) and establish new liaison and co-ordinating committees when this is necessary.

Within the framework the Trades Council proposes:

1 To get the report widely read by distributing it to union branches, labour party wards, tenants groups, and other organisations in the Labour movement locally regionally. We also hope to send speakers to meetings to explain issues in the report.

2 To hold a press conference and get maximum coverage in the media for the issues contained in the report.

3 To hold day educational workshops for trade unionists and tenants around the main issues in the report.

4 To launch a campaign to get the main proposals in the report implemented.

5 To hold meetings with the North East Tenants Organisation (NETO) to find ways of closer co-operation in South Tyneside.

6 Encourage tenants groups to seek the support of the Trades Council and for delegates from the Trades Council to attend tenants groups meetings to explain the role and work of the trades council.

7 To hold joint meetings with other Trades Councils in Tyne and Wear, initially through the County Association, to discuss possible joint work and action on housing and planning issues.

8 To discuss the issues and recommendations in the report through the Trades Council/Labour Party Liaison Committee.

MAIN CONCLUSIONS

- Housing Policy must be geared to meeting the needs of existing residents because the demand for housing created by new industry, in particular branch plants coming into the borough, is and will continue to be, very small.
- The tenure of housing and the number and quality of jobs are interconnected. A programme to expand and improve council housing to meet a wide range of demands and needs could have some impact in reducing unemployment in South Tyneside by offsetting job losses in other industries.
- The expansion of the private housing market eg sales of council houses and council owned housing land, expanding private housebuilding, will have major consequences for working class families in the borough - waiting and transfer lists will get longer; rents will rise; the worst estates will be left; there will be fewer jobs in the public sector - and so will ultimately lead to more, not less, public spending by the council and the government.
- There is a need for a continuous housing programme of new building, modernisation and improvement to meet new housing needs, changing standards, deterioration and decline of the existing stock, and to counter the effect of cuts in public spending.
- Real choice and control in housing can only be achieved by building good quality council housing which is planned, designed, built and maintained by area teams of council workers working closely with tenants, councillors and trade union representatives. Security of tenure and implementation of the National Tenants Organisation Tenants' Charter are an essential part of helping tenants gain more control over their homes.

MAIN RECOMMENDATIONS

- A new council housing programme should be developed which is based on building good quality council houses for rent, using Parker Morris standards as a minimum, good quality materials, economic-to-use heating and other facilities.
- End all sales of council housing and land.
- Improve and expand the direct works department to provide an effective and efficient service, to build, modernise, repair and maintain the council's stock of houses.
- Establish an integrated planning, design, building and maintenance service consisting of the council's architects, planners, and building workers which should work in area teams with tenants and trade union representatives and councillors.
- Priority should be given to solving the housing needs of existing South Tyneside residents rather than using resources to expand private and/or executive housing in the borough in a vain attempt to attract industry.
- There should be a new survey and analysis of housing conditions and standards in the borough based on a new definition of housing needs to be agreed and carried out in co-operation with the Trades Council and tenants groups.
- There should be no further encroachment of the Green Belt.

References

1. Permanent Unemployment. Benwell CDP 1978.
2. The Spatial Hierarchy of Business Organisations and its Implications for the British Urban System. J. Westaway. *Regional Studies* Vol 8 p 145-155.
3. Regional Aspects of Acquisition Activity in British Manufacturing Industry. R. Leigh and D.J. North. *Regional Studies* Vol 12 p 227-245.
4. Leigh and North op.cit.
5. Ownership Status and Employment Changes in Northern Region. Manufacturing Industry 1963-73. I.J. Smith Discussion Paper 7. Centre for Urban and Regional Development Studies, Univ. of Newcastle upon Tyne.
6. Leigh and North op.cit.
7. Westaway op.cit.
8. The Service Sector: Its Changing Role as a Source of Employment. CES Research Paper No. 25.
9. *New Society*, 3 May 1979.
10. *Quarterly Industrial Review* 3/1978 South Tyneside Planning Dept.
11. Resource Inputs to Construction: The Labour Requirements of House Building. J. Lemessany and M. Clapp. Building Research Establishment Paper CP 76/78.
12. Op.cit.
13. Directorate of Works. Financial Performance 1974-79. South Tyneside Housing Committee Minutes July 1979.
14. Report of the Chief Officers Management Team on the Capital Works Section of the Directorate of Works, January 1977.
15. Housing Committee Minutes May 1978.
16. Housing Repairs. Joint Report of Directors' of Housing, Works and Finance July 1977.
17. Housing Committee Minutes, September 1979.
18. *Urban Deprivation and the Inner City*. Edited by Colin Jones. Croom Helm 1979.
19. *Resources for Older Housing: an examination of comprehensive renewal strategy in South Tyneside*. J. Bradley. Centre for Urban and Regional Studies 1979.
20. *Where have all the Assets Gone?* Nottingham Alternative Publications 1979.
21. *English House Condition Survey 1976 Part 1*. HMSO 1978.
22. *English House Condition Survey 1976. Part 2 Report of the Social Survey* HMSO 1979.
23. *Housing Towards the Eighties; Second Review*. Borough of South Tyneside 1978.
24. *Building with Direct Labour*. Housing Workshop of the Conference of Socialist Economists 1978.
25. *Public Expenditure: role of the public sector in a depressed region*. NALGO 1978.
26. *Public Expenditure into the '80's*. NALGO 1979.
27. Forthcoming paper on Residents and Workers Housing Plans, SCAT.