



Housing Finance Review 2000/2001

Published for the
Joseph Rowntree Foundation
by the Chartered Institute of Housing
and the Council of Mortgage Lenders

Steve Wilcox



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Acknowledgements

This annual compilation of statistical data would not have been possible without the substantial help and guidance of a host of civil servants, at the Department of the Environment, Transport and the Regions, the Department of Social Security, The Treasury, the Scottish, Welsh and Northern Ireland executive offices, the Office for National Statistics, and elsewhere.

Similar assistance was given from the Council of Mortgage Lenders, the Housing Corporation, Scottish Homes, Housing for Wales, the National Housing Federation and the Scottish and Welsh Federations of Housing Associations, the Local Government Association and others.

The enormous help they have all once again provided in the compilation of this year's edition of the *Review* is most readily and gratefully acknowledged.

Much of the statistical data presented here is generally available in a variety of published, or publicly available, statistical series, and sources are comprehensively acknowledged against each table in the *Review*.

This year a special vote of thanks is due to Alan Lewis who undertook much of the work in updating the Compendium of tables in the *Review*. The editor is also particularly grateful to the direct contributors to this year's edition of the *Review*, Roger Burrows and Janet Ford at the Centre for Housing Policy, University of York, John Perry at the Chartered Institute of Housing and Bob Smith at the Centre for Housing Management and Development at Cardiff University.

This is the second year that the *Review* has been produced as a joint venture between the Joseph Rowntree Foundation, the Council of Mortgage Lenders and the Chartered Institute of Housing. Thanks are thus variously due to David Darton, Alan Dearling, John Perry, Jeremy Spencer and Peter Williams for their hard work, support and creative contributions in producing this edition of the *Review*.

For all the diverse help provided, and despite every attempt that has been made to check and double check all the figures included in the *Review*, and the construction put upon them, the final responsibility for any errors, omissions or misjudgments are

entirely the responsibility of the editor. The views expressed in the *Review* are the responsibility of the respective authors.

July 2000

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List of figures and tables

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All the tables below contain UK-based figures unless otherwise indicated in the table title. Where English regional figures are shown, this is usually indicated in the title. Tables showing breakdowns between England, Wales, Scotland and/or Northern Ireland are indicated with a single *, and those showing international comparisons with two **.

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Introduction

The primary objective of this, the 9th edition of the *Housing Finance Review*, remains simply to draw together key current financial and related data about both public and private housing in the United Kingdom, and rapidly assemble them in a coherent and accessible format.

To that end the *Review* draws on a wide range of expenditure plans and departmental reports, as well as statistical volumes, survey reports, and other more occasional research reports. The *Review* also includes a number of tables constructed from databases that are not routinely published elsewhere.

The structure of the *Review*, and the sparse text, aim above all to provide a swift guide to that data, with detailed analysis confined to the articles in Section 2: Commentary of the *Review*.

This section of short chapters offers a brief introduction and commentary on the key developments in policy, financial provision and output, that are reflected in the tables and figures in the main body of the *Review*.

A longer perspective

As in previous editions, most of the tables in the *Review* start at the beginning of the last decade, to

provide a consistent context for the most recent years' figures. However, even with the *Review* published in landscape format, there are limits to the number of years' data that can be set out across a single page.

Rather than starting to simply drop years off from the beginning of tables, this year the *Review* has continued the process begun in earlier years, and in some tables provides data at five year intervals, rather than for every year, up to 1985. This year it has also become necessary in some cases to only give data at five year intervals up to 1990. Data for 1980 (or 1980/81) is retained, while the data for the intervening years from 1981 through to 1984 has been omitted. Readers seeking data for the years from 1981 to 1984 are referred to the 1995/96 and earlier editions of the *Review*. Data for the years 1986 to 1989 omitted this year can be found in any earlier edition of the *Review*.

Regions

The *Review* contains several tables providing data for the regions of England. Most of those tables provide data for the long established 'standard' statistical regions. Government statistics are, however, now being published primarily on the basis of 'government office regions'. This presents difficulties

in providing a consistent long run of regional data. In this period of transition, wherever possible current data for standard regions has been sought, in order to provide a consistent data series. This has not, however, always been possible. Equally, long back series of data for government office regions are not generally available. In some cases, therefore, the *Review* includes recent data for government office regions, together with earlier data for standard regions. This is clearly indicated in the tables concerned.

There has also been a recent change in the nomenclature of government office regions. The Eastern region is now known as the East of England, and Yorkshire and Humberside is now known as Yorkshire and the Humber. In this year's *Review* the government office regions are still shown under their old names; they will be revised in next year's edition.

Contemporary issues

As in previous years, the 2000/01 edition of the *Review* includes articles relating to some of the central housing finance and policy issues of the day. This year all the articles relate to some of the key proposals put forward in the English Housing Green Paper published in April 2000.

The implications of the proposals for a renewed emphasis on local authority stock transfers in England are analysed by John Perry. The prospects for refocusing lettings policies to provide a greater emphasis on choice are evaluated by Bob Smith. The modest proposals for reform in the support provided to low-income home-owners are the subject of a critique by Janet Ford and Roger Burrows, together with the editor. Finally, the editor offers an exposition of the potential impact of the proposals for moving towards a more coherent structure of rents in the council and housing association sectors, and a critique of the limited proposals for reforming the housing benefit scheme.

While in most respects the Housing Green Paper proposals relate only to England, all the articles discuss issues that have a broader relevance across the UK as a whole. More specifically the Housing Green Paper proposals on housing benefit reform, and the related proposals for reforming the help provided to home-owners with their mortgage costs through the Income Support and Jobseeker's Allowance schemes, directly apply across the whole UK. For a more detailed discussion of policy issues in Scotland and Wales, readers are referred to the two articles by Michael Thain and Peter Williams in last year's edition of the *Review*.

Six short commentary chapters are included, as in previous years, relating to the six sections of data in the main Compendium of tables. These commentary chapters both draw out some of the key issues raised by the data in the main Compendium, and also

draw attention to a range of other relevant issues and data that came to light during the course of the year.

This year there is a seventh Commentary chapter that provides an analysis of the July 2000 Spending Review, and the impact that it will have on housing programmes over the years to 2003-04.

Future issues

Next year's issue of the *Review* will appear in the now established format. The articles in the Contemporary issues section will focus on developments in housing policy in other parts of the world that are of interest from a UK perspective, and that show the potential of alternative approaches to some key issues of housing policy.

Looking further ahead the time has come to consider whether, in the light of evolving practise in information technology, the *Review* should continue in its existing format, both in terms of the range of its contents, and the format in which it is produced. Readers will therefore find enclosed with the *Review*, a questionnaire intended to seek your views both on the contents of the *Review*, and on the form (or forms) in which it should appear. Do please take the time to complete the questionnaire, to help us ensure that the content and form of future editions of the *Review* properly reflect your requirements.

Section 1 Contemporary issues 1

Half the poor?
Policy responses to the growth
of low-income home-ownership

Roger Burrows, Janet Ford and Steve Wilcox

Introduction

In Britain the diversity of households within home-ownership¹, and the presence of some very low-income households within the tenure², has long been recognised. Taken as a whole, no more than 12 per cent of households in owner-occupation are low-income households. However, because of the overall dominance of the owner-occupied sector, they are a majority of the households with low incomes across all tenures. Despite this, the full extent of low-income home-ownership is not always appreciated by either housing researchers or policy makers. Studies have tended to focus on specific groups of poor home-owners or specific situations that may particularly affect low-income households rather than on the broader picture. Recent research, however, has brought together a wide range of data to show the full extent of low-income home-ownership, its recent growth, and its implications³. Its central message is that, currently, half the poor are home-owners, yet they receive only 8 per cent of the state help with housing costs targeted on low-income households.

The growth of low-income home-ownership is partly the result of successive post-war governments' actions to promote the growth of the home-owner sector, both through a favourable tax regime and specific policies aimed at encouraging the entry of lower income households into home-ownership. Together, government policy, rising real incomes, widely available mortgage finance, and strong household preferences for home-ownership, have seen home-ownership in the UK rise to account for

68 per cent of all dwellings. The 'success' of these policies, however, poses a specific range of issues for any government that wishes to maintain the current level of home-ownership in a sustainable form, in the face of the continuing growth of more 'flexible' forms of employment, and the rising trends of divorce and relationship breakdown.

The incidence and growth of low-income home-owners

Low-income can be measured in a number of different ways. Here we use one of the most common – the Department of Social Security (DSS) measure of households with below average incomes⁴. Table 1.1.1 shows that a majority (57 per cent) of individuals in the lowest income decile (measured before housing costs – BHC) are owner-occupiers, and that more than half of them have a mortgage. Further, home-ownership amongst this

group grew by 18 percentage points between 1979 and 1997/8. The growth since 1990 is particularly marked, not least in the context of overall growth in the sector, which only rose from 66 per cent in 1991 to 67 per cent in 1998. Measuring incomes after housing costs (AHC) are taken into consideration suggests that home-ownership within the lowest income decile grew from 30 per cent in 1979 to 42 per cent in 1997/8. However, these figures almost certainly under estimate the extent of low-income home-ownership as the 'after costs' methodology does not take account of home-owners' repair and maintenance costs or the capital payments due on their mortgages.

The characteristics of low-income households

The characteristics of low-income owner-occupiers can be identified via a secondary analysis of the

Table 1.1.1 Tenure of the lowest income decile of household members

Tenure	1979		1990/91		1997/98	
	BHC %	AHC %	BHC %	AHC %	BHC %	AHC %
Owned with mortgage	11	13	27	36	29	29
Owned outright	28	17	24	10	28	13
All owned	40	30	51	46	57	42
Rented	60	70	49	54	43	58

Sources: Households below Average Incomes 1979-1990/91, Department of Social Security; additional 1997/98 data from the Analytical Services Division, Department of Social Security.

Note: The 1979 and 1990/91 figures are based on FES data; the 1997/98 figures are based on FRS data; the definitions of income are, however, directly comparable.

Survey of English Housing (SEH). This data suggests that roughly 43 per cent of households with annual (but unequivalised) incomes below £5,000 are home-owners. The SEH also suggests that overall, retired households comprise 46 per cent of this low-income group, while 25 per cent have a currently employed head of household, and 28 per cent have a household head not currently in employment. The SEH also reveals that: over 70 per cent of all low-income couples, with or without children, are home-owners; two-fifths of low-income lone female households are home-owners; and just over a quarter of low-income lone parent, multi-family or lone male households are home-owners.

The data also reveals the distinctive ethnic profile of low-income home-owner households. While two fifths of all black households have incomes in the lowest quintile (unequivalised), only 13 per cent of those households are owner-occupiers. In contrast, Asian households are only marginally more likely to fall within the lowest income quintile than are white households. They are, however, more likely to be owner-occupiers – and this is particularly the case amongst low-income Indian households, of which a half are owner-occupiers.

Data from another source, the Family Resources Survey (FRS) for 1994/95, indicates that over a third of all children living in poverty reside in owner-occupied households. This measure is based on children living in households with below half mean average equivalised incomes measured after housing costs⁵. Again, like the DSS measure of households

below average incomes, these figures exclude owners' repair or mortgage capital repayment costs and consequently tend to under estimate the prevalence of low-income home-owners.

Affordability and low-income home-owners

Despite affordability being such an important concept in policy development for the rented sector, only exceptionally do analyses take into consideration the prevailing housing cost to income ratios for lower-income home-buying households⁶. However, concerns about sustainability suggest that this is an important concept for the home-ownership sector too where mortgage cost to earnings ratios for lower-income home-buyers are around twice the average level for all home-buying households.

In 1997/98, the mortgage cost to income ratio for the lowest quintile of home-buying households in England was 28 per cent. It should be noted, however, that this figure is for the lowest quintile of home-buying households, rather than for the smaller number of home-buyers that fall within the lowest income quintile for all households. Superficially this ratio might be compared with the 25 per cent rent to income ratio set as part of the definition of affordable rents by the National Housing Federation (NHF). However, the NHF ratio is defined in terms of gross rents to net household incomes, while the 28 per cent ratio for home-owners relates to mortgage costs only, and excludes any repair costs. It is also based on gross, rather than net, incomes.

An analysis of 1996/97 data from the Family Expenditure Survey (FES) shows that home-buyers in the lowest income quintile of all households (unequivalised before housing costs) have housing costs (mortgage and repair costs) amounting on average to 42 per cent of their net disposable incomes⁷. This is a more appropriate measure to set against the NHF affordability guidelines and on this basis low-income home-owners housing costs can clearly be seen to exceed those guidelines by a substantial margin.

Aspirations of low-income households

While positive attitudes to home-ownership have moderated since their peak in the late 1980s, a majority of adults still aspire to own⁸. Table 1.1.2, reporting data from the 1999 CML Housing Finance Survey, shows that 74 per cent of all adults would prefer to be owner-occupiers in two years time, and 78 per cent in ten years time.

Aspirations are differentiated by social-economic characteristics, but even amongst adults in the lowest income band (below £5,000 per annum), 41 per cent would prefer to be owner-occupiers in two years time, and 46 per cent in ten years time. In contrast, while 49 per cent of this low-income group would prefer to be social tenants in two years time, after ten years just 43 per cent would prefer to still be in this tenure. Over all income ranges the aspiration to home-ownership is greater in the longer term, while the minority preference for social or private renting declines over time.

Table 1.1.2 Housing aspirations of adults aged over 16, 1999 UK Survey

Income	In two years time				In ten years time			
	Owner- occupier	Social renting	Private renting	Other and don't know	Owner- occupier	Social renting	Private renting	Other and don't know
	Percentages				Percentages			
Less than £5,000	40.9	49.4	6.5	3.2	45.7	42.5	3.1	8.7
£5,000 – £10,000	61.0	30.4	4.8	3.8	69.4	21.9	1.5	7.2
£10,000 – £15,000	84.3	11.2	3.1	1.4	86.8	7.9	1.0	4.3
£15,000 – £20,000	93.1	4.1	1.3	1.6	96.5	1.9	0.0	1.6
£20,000 – £25,000	95.8	1.5	2.7	0.0	98.5	0.4	0.0	1.1
£25,000 – £30,000	96.0	0.0	1.7	2.3	97.7	0.0	0.6	1.7
Over £30,000	96.8	0.4	2.2	0.7	97.8	0.0	0.7	1.4
All incomes	74.2	20.0	3.5	2.3	77.6	15.7	1.3	5.5

Source: CML MORI Survey, 1999.

Aspirations are distinct from intentions and expectations, and an analysis of the intentions and expectations of low-income households can be undertaken using the SEH. Table 1.1.3 indicates the mobility intentions of current social tenants by unequivalised income quintiles, and Table 1.1.4 shows the mobility intentions of current home-owners, again by unequivalised income quintiles.

Together these tables show that only a minority of low-income households expect to change tenures, and that lower income households also have lower expectations of making any move, whether it is within or between tenures. Just 20 per cent of all social tenants in the lowest income quintile think they will buy at some time, and of those, only 28 per cent think they will buy their present dwelling.

That such a high proportion of low-income social tenants who are thinking of buying expect to move to another dwelling is perhaps surprising given that the majority of them would qualify for substantial discounts as sitting tenants under the Right to Buy scheme. In the higher income quintiles, higher proportions of social tenants think they will buy at some time in the future and higher proportions think they will buy their present dwelling.

In contrast, of the 11 per cent of the households in the far larger owner-occupied tenure that fall within the lowest income quintile, (unequivalised and BHC), just 26 per cent expect to move, and of those expecting to move, just 21 per cent expect to move into rented accommodation, predominantly

renting from social landlords. Although the proportions are small, this suggests that some 70,000 low-income home-owner households expect to move into the rented sector, of which almost 50,000 expect to move into the social rented sector.

While aspirations clearly do not have a definite timetable, it is important to note that they are at odds with the current patterns of mobility between the owning and renting tenures. Currently there are more low-income households moving out of owner-occupation than there are moving into the sector. Over the period 1995/96 to 1997/8 the SEH reveals that some 82,000 low-income households left the tenure while only 33,000 households entered, a net out-migration of 49,000 households. These figures provide evidence of the insecurities of low-income home-ownership and also suggest that the growth of low-income home-ownership is less a result of direct entry into the tenure by low-income households, than a result of changing circumstances reducing the income of home-owner households who entered the sector when they had higher incomes.

Support for low-income home-owners

The extent of low-income home-ownership and the continuing high level of aspirations towards home-ownership raise a series of issues about the policy response to low-income home-ownership. Below we briefly assess the current support to low-income home-owners and then move on to discuss a future policy agenda.

Table 1.1.3 Mobility intentions of social rented tenants by income quintile

Income quintile	Proportion in each income quintile	Think will buy sometime	Of which: will buy present dwelling	Expects to move	Of which: will buy when moves
Lowest	50	20	28	28	40
Second	28	25	37	29	47
Middle	16	42	38	36	56
Fourth	5	62	43	39	74
Highest	1	71	43	52	67
All incomes	100	27	35	30	50

Source: Survey of English Housing, 1997/98.

Note: Income quintiles are unequivalised, before housing costs.

Table 1.1.4 Mobility intentions of owner-occupiers by income quintile

Income quintile	Proportion in each income quintile	Expects to move	Of which: will rent when moves	Private landlord	Of which: will rent from social landlord	Other
Lowest	11	26	21	33	60	7
Second	14	31	15	21	73	7
Middle	22	49	6	47	39	14
Fourth	25	59	2	71	14	14
Highest	27	67	2	69	11	19
All incomes	100	51	5	42	47	11

Source: Survey of English Housing, 1997/98.

Note: Income quintiles are unequivalised, before housing costs.

same time only 335,000 home-owners in receipt of Income Support, or Jobseeker's Allowance, received help with their housing costs through Income Support Mortgage Interest (ISMI), each receiving an average of £37.16 per week¹⁰. There is no scheme in the UK to provide means tested help with mortgage costs to low-income home-owner households in employment.

The support available through ISMI has declined sharply over the last decade partly as a result of falling interest rates and lower levels of unemployment, but also because of a series of restrictions on eligibility for ISMI introduced during the course of the decade. The most important restriction occurred in October 1995, in respect of mortgages taken out after that date. As from then, most new IS and JSA claimants receive no help with their mortgage costs for the first nine months of their claim, on the basis that they should be encouraged to take out private Mortgage Protection Payment Insurance (MPPI) to cover their mortgage costs over such a period. While the ISMI and MPPI schemes are intended to be complementary, they fall a long way short of providing a comprehensive safety net for low-income home-owners.

MPPI is only available against a limited range of risks – accident, sickness and unemployment – and even in those cases there are a range of limitations on the cover available to households in insecure forms of employment, or with existing medical conditions. Moreover, by 1999, only one in four new mortgagors were taking out any form of MPPI

Support for housing costs

The welfare benefit system plays an important part in supplementing the incomes of low-income households, particularly in respect of housing costs. It is, however, a system that is not tenure neutral. In May 1998, some 4.5 million tenant households were

receiving housing benefit, of which 2.9 million were also in receipt of Income Support (the remainder were pensioners or in low paid employment, or self-employment). The average housing benefit payment, for all recipients, amounted to £44.07 per week⁹. In contrast, at the

cover¹¹. Notwithstanding attempts by the Council of Mortgage Lenders (CML) and the Association of British Insurers (ABI) to implement an improved 'minimum standard' for MPPI cover, there remain inherent limitations on the scope of MPPI cover, not least its inability to cover for all eventualities covered by ISMI: lone parenthood resulting from relationship breakdown; people who have given up work to become carers; and widowhood. Four in 10 of all households claim ISMI for one or more of these reasons. MPPI primarily advantages households that were previously in secure employment and had good health, and in particular 'dual earner' households where only one partner loses their job.

Limitations to MPPI, coupled with restrictions to ISMI, add up to a very 'unsafe' safety net¹². That safety net has yet to be tested in the context of economic recession. It is, however, clear that the current unsatisfactory 'public-private' partnership of limited ISMI/MPPI cover provides less security than was available through the wider ISMI scheme that operated at the beginning of the decade; let alone in comparison with the far more comprehensive safety net available to low-income tenants in or out of work.

Tax benefits and other support

The support available to mortgagors in the form of tax relief on mortgage interest repayments (MITR) has been progressively eroded by successive governments, and as from April 2000 it has been abolished. Historically, the importance of MITR grew

as income tax was extended to apply to the vast majority of all working households, as well as a consequence of the growth of home-ownership. In the 1930s, for example, there were only some 3 million income tax payers, but by 1960 there were some 20 million tax payers, following the introduction of 'PAYE' and the erosion of the thresholds for tax liability relative to average earnings¹³. MITR has been argued to constitute a clear incentive to house purchase, often making such a proposition affordable for low-income households. However, its value to individuals has fallen successively since 1974/75, limited by loan ceilings, a restriction to the standard rate of tax, and later, reductions in the rate of tax relief.

The abolition of MITR in April 2000 fundamentally alters the balance of financial support given to households in different tenures, and puts into sharp relief the limited support the UK government now provides to low-income home-owners, relative to low-income households in other tenures. Other taxes such as capital gains tax and inheritance tax, while of benefit to home-owners in general, by virtue of exemptions or reduced relief, are often less significant for lower rather than higher-income home-owners and more significant for those living in the south of the country.

Home-owners, however, make a substantial contribution to the Exchequer by way of stamp duty, which is levied every time a dwelling is bought or sold. It lacks any underlying economic rationale and is simply a well established and easily collected form

of taxation. In practice, it raises much the same level of taxation from home-owners as would be levied if the current exemption from capital gains tax was abolished. In 1998/99, for example, stamp duty on the sale of residential dwellings in the UK raised £1.1 billion. In April 2000, the rate of duty was raised on properties in excess of £250,000. However, dwellings priced below £60,000 are exempt. Depending on the part of the country considered, this sometimes benefits the entry and early mobility of low-income home-owners. More frequently, however, it is regarded as a tax on mobility which bears most heavily on frequently moving households.

Improvement grants

While not discussed in this article, the dwellings occupied by low-income households are characterised by an extensive level of disrepair and restricted amenities¹⁴. Support to home-owners, principally low-income home-owners, for the costs of maintenance and repairs has, however, been falling. For instance, the Housing and Construction Statistics show that in 1990 private sector improvement grants in England were worth £316.7 million, but by 1998 they had fallen to just £172.5 million in absolute terms.

It is broadly estimated that some 95 per cent of all improvement grant expenditure relates to the owner-occupied sector, with the balance going to the private rented sector. However, detailed statistics showing the division of grant expenditure between the two sectors are not kept. Following legislation

introduced in 1989, all home-owner improvement grants in England and Wales have been means tested, and are only available on a sharply declining scale for households with incomes above basic income support allowances, plus a £40 allowance in respect of mortgage interest costs. As shown above, that allowance does not even cover the average mortgage interest costs of home-buyers in the lowest income quintile. Further, since 1996, the right of low-income home-owners to mandatory grants has been removed.

Assisting low-income households to enter home-ownership

Policies such as Right to Buy and, to a lesser extent, other schemes designed to promote low cost (low-income) home-ownership together account for much of the growth in home-ownership since the early 1980s. Assisted by substantial discounts, between 1980 and 1998 Right to Buy resulted in some 1.9 million sales of council, new town and housing association properties to sitting tenants in Great Britain. The total receipts for sales over that period amounted to over £30 billion, and the value of the discounts over that period was of a similar magnitude. Right to Buy clearly contributed towards the further diversification of the owner-occupied sector, and increased the numbers of lower income households in the sector. Indeed home-owner households that initially purchased as sitting tenants from social landlords now constitute about 21 per cent of all home-owner households in England within the lowest income quintile (all households, unequivalised and before housing

costs). Of those low-income households, 85 per cent still occupy the original dwelling they purchased as a sitting tenant, while 15 per cent have now moved on to other owner-occupied dwellings.

At the same time, only a minority of Right to Buy purchasers (and other sitting tenants purchasers from social landlords) have very low incomes. Just 18 per cent of all such purchasers fall within the lowest income quintile, while 41 per cent have incomes within the two lowest income quintiles. It cannot therefore be argued that the Right to Buy is effectively targeted at assisting lower income households into owner-occupation. Equally the value of Right to Buy discounts should not be viewed as primarily providing financial support to low-income home-owner households. At most, about one-fifth of the value of Right to Buy discounts might be viewed as providing support to low-income home-owners (that is, for those home-owners in the lowest income quintile). At current levels this amounts to some £250 million per annum.

More generally there are quite proper concerns and debates about the current structure of the Right to Buy policy, in the context of a housing market that has changed quite significantly over the last two decades. The limited degree to which the policy – and the generous if uneven discounts they provide – is effectively targeted on lower income households is just one of the factors to consider in those wider debates.

Objectives and options

Owner-occupiers are broadly a half of all low-income households and about a half of all the low-income households living in poor condition dwellings. While home-owners do have wealth in the form of the capital assets represented by their home, low-income home-owners generally hold only modest assets, and those are locked up in their homes for the duration of their occupancy, affording them limited opportunities to enhance their incomes or living conditions. Owner-occupiers primarily become poor as a result of changing circumstances. Only a minority of low-income households directly enter home-ownership. The Right to Buy scheme and various other low cost home-ownership schemes are predominantly utilised by middle income households. Nonetheless, a substantial proportion of even the lowest income households aspire to home-ownership.

Despite the plethora of low cost home-ownership schemes, these particular households receive very limited government help with their housing costs, and that assistance has been cut back substantially over the last decade, whether in the form of ISMI or home improvement grants. Means tested help with housing costs for home-owners amounts to less than 10 per cent of the equivalent help provided to low-income tenant households, and this imbalance has been thrown in sharp relief with the final abolition of mortgage interest tax relief in April 2000.

It is thus timely to review the current structure and level of state support for low-income home-owners.

Existing policies have developed incrementally, and are fragmented, with no coherent view of the overall objectives and connections between low cost home-ownership, Income Support and home improvement grant policies. Policies for helping low-income households with their housing costs are also rigidly structured by tenure, and this is clearly at odds with the objective of promoting greater housing market choice for all households¹⁵.

In so far as the promotion of choice for all is a primary objective for housing policy, this would suggest that housing cost support for low-income households should, in principle, be tenure neutral. Indeed policies for housing subsidies and housing allowances are less riven by tenure divides in many European and other countries, even if few countries (Sweden being a notable exception) aspire to full tenure neutrality. More typically, the tax and benefit systems of many other countries tend to favour home-ownership, particularly when compared to private renting. With the abolition of MITR this is no longer the case in the UK.

Nonetheless the ownership of a capital asset in the form of their home is an important distinction between low-income households in the ownership and rented tenures, and attitudes to that capital ownership inevitably inform perspectives on the appropriate tax, housing and benefit policies to be applied to low-income home-owner households. However, the adoption of wider social policy values that favour the construction of a 'stake holder society' would be consistent with tax and benefit policies that

favour home-owners. A social and housing policy favouring consumer choice would be more consistent with tax and benefit policies that are broadly tenure neutral. In this context, there is a range of policy options that would provide a greater measure of support to low-income owner-occupier households, without implying any increase in the direct entry of low-income households into home-ownership.

A tenure neutral housing allowance scheme

A proposal for a mortgage support scheme, broadly equivalent to the current housing benefit scheme for tenants, was set out in a 1997 CML report¹⁵. Such a scheme, by providing an in-work benefit for low paid home-owners, would remove the current 'unemployment trap', whereby home-owners taking up low paid jobs can be worse off in work than if they remained unemployed, with their mortgage costs partly supported through the Income Support or Jobseeker's Allowance schemes.

Notwithstanding the introduction of the Working Families Tax Credit scheme, home-owner families with modest mortgages can still be worse off in work. The absence of an in-work benefit related to mortgage costs thus continues to be a major omission in the government's range of policies promoting moves from 'welfare to work'.

A Housing Credit scheme

In a more recent proposal¹⁶ the principle in-work benefits were integrated into a single scheme, in order to simplify their structure and administration,

to reduce the extent of the 'poverty trap' inherent in all in-work benefits, and to promote more effectively the 'work pays' message. Under this proposal the (then) Family Credit, housing and council tax benefit schemes would be combined into a single 'work credit' scheme, within which the housing cost component would cover mortgage interest costs as well as rents. The costs of such a scheme could vary substantially depending on its detailed construction, but in the proposed scheme the net costs for the additional assistance to home-owner households were assessed at some £530 million, out of total net costs of £1.2 billion (at 1998/99 rates).

Building on the Working Families Tax Credit scheme

The government has replaced the Family Credit scheme with the Working Families Tax Credit (WFTC) scheme, which is more generous in a number of ways, and in particular has a 55 per cent taper rate, rather than the previous 70 per cent taper rate. While the WFTC scheme represents an appreciable boost to the incomes of low paid home-owner families, it leaves in place a confusing overlap with the housing benefit scheme for many tenants, and fails to remove the unemployment trap for all low paid home-owners. The tenant households left claiming both WFTC and housing benefit continue to face total marginal deductions (for all taxes and benefits) of up to 95 per cent of additional gross earnings. Nonetheless the increased generosity of the WFTC is estimated to cost some £1.35 billion each year.

Key issues in assessing the WFTC, and seeking to build upon it to give a fully integrated work benefit

scheme which also deals with housing costs, relate to the level of taper necessary to achieve integration, the associated costs, and the impact of the already announced re-structuring following the introduction of both the children's tax credit and employment tax credit. This latter scheme may also leave in place the confusing overlap with the housing benefit scheme for many tenant households, and the unemployment trap confronting many home-owner households when they move into low paid employment. It will not, therefore, deliver the 'work pays' message as fully as the Treasury would seem to hope.

There is an option, however, to work with these reforms to add a small flat rate housing credit to the proposed new employment credit, of say some £20 per week, to create an integrated household tax credit. This would significantly reduce the extent of the unemployment trap facing out of work home-owners, and at the same time similarly reduce the numbers of tenant households that would continue to need to claim housing benefit as well as tax credit.

The Housing Green Paper

The Green Paper is limited in the reforms it suggests for the structure of benefits for home-owners, despite the rhetoric about 'encouraging sustainable home-ownership'. Two minor positive reforms are announced; an increased period from 13 to 52 weeks during which a re-application for ISMI can be made without incurring the nine month wait for ISMI, and an ISMI 'run-on' of four weeks for those

who return to work. Both of these reforms are welcome; but, for tenants the equivalent 'four week run on' can be a prelude to claiming in-work housing benefit, while for home-owners it is a one off measure.

The main long term proposal is to further extend the Income Support restriction on help with mortgage interest costs from 9 to 14 months. This proposal presumes an effective, affordable private insurance alternative. However, as already discussed, the inadequacies of MPPI are now increasingly clear¹⁷. While the 14 month period of delay would not apply to households that qualify for ISMI as a result of 'non insurable events' (such as relationship breakdown), that still leaves a yawning gap in the welfare safety net for home-owners who have not taken out MPPI policies, or that suffer from an event that may be considered insurable by the social security system, but is not actually covered by the particular insurance policy they hold. Further, given the very high mortgage cost to income ratios for low-income home-buying households, the particularly low take-up amongst this group is not surprising. In this context the ISMI periods of delay merely serve to increase levels of mortgage arrears and hardship for low-income home mortgagors.

Home owner repairs and maintenance costs

The Housing Green Paper¹⁸ also proposes to further dismantle the provisions for low-income home-owners, living in poor housing conditions, to receive improvement grants. Following the 1996 abolition of low-income home-owners' statutory right to a

means tested grant, the Housing Green Paper proposes to abolish the structure of the national means tested scheme, and to devolve responsibility to local authorities. This is presented as increasing the flexibility for local authorities to make the best use of the very limited level of financial resources that central government is willing to devote to this area of policy. If followed, there would consequently be no national policy provision for low-income home-owners in respect of their repair costs, either through the Income Support scheme, or through a national home improvement grant system. This approach would further exacerbate that imbalance in the support given to low-income households in the rented and owner-occupied tenures. Indeed, it would predictably result in a further decline in the standards of dwellings occupied by low-income home-owners, given the interaction between an ageing housing stock, and the demographic trends that will result in a substantial increase in the numbers of low-income elderly home-owners.

Conclusion

Home-owner households are half of the poor. Home-owner households receive only some 8 per cent of the total government support provided to assist low-income households with their housing costs. This imbalance is thrown into sharp relief by the abolition of MITR in April 2000. The housing assets of low-income home-owners are tied up in their home for the duration of their lifetime, and provide very limited opportunities for them to alleviate their poverty. Whatever policy perspective is adopted there is no justification for the current

crude discrimination against low-income home-owners in UK housing and social security policy; a position likely to be worsened by the proposals in the recent Green Paper. The evidence on the relative costs of supporting low-income households in home-ownership, rather than renting, adds to the case for a fundamental review of current policies. If housing policies are, as suggested in the Housing Green Paper, to promote consumer choice, a more tenure neutral system of housing support for low-income households is required.

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Section 1 Contemporary issues 2

Contrasting ambitions – the English Housing Green Paper

Steve Wilcox

The 1999 Budget announced a planned Housing Green Paper, with bold proposals to radically restructure both rents in the council and housing association (RSL) sectors, and the structure of the UK wide housing benefit scheme. Thirteen months later the English Housing Green Paper that emerged was far wider in its scope, and duly set out outline proposals for radical rent reforms, but somewhere along the line the ambition to reform the housing benefit scheme has been lost. This article will first outline and critically review the Green Paper proposals on rent reform, and then put the case for a more radical approach to reforming the housing benefit scheme, as an alternative to the very limited Green Paper proposals.

All change on rents

The Green Paper sets out three main options for rent policy in the council and RSL sectors, all of which are based to some extent on capital values, and would operate within a common context. The policies would apply to both councils and RSLs, and, in principle, would see all social landlords charging more or less the same levels of rents for similar properties. The reforms should bring some order to the current, relatively chaotic patterns of rents in the two sectors, where there are systematic differences in the national policies for each sector, amplified by the varying decisions of individual landlords, both about their aggregate rent levels, and about how they set the profile of rents across their stock of dwellings.

Putting council and RSL rents on a common footing will involve 'a measure of convergence' between the two sectors, which means that in most parts of the

country RSL rents will have to fall relative to council rents. To that end, the Housing Green Paper proposes that, from April 2002, average rents in the RSL sector should rise in line with RPI, rather than the RPI plus one per cent policy that has operated over the last few years. Meanwhile, average council rents are proposed at the rate of RPI plus 2 per cent. How long these differential rates of increase will apply to the two sectors is not made clear in the Green Paper, partly because the extent of convergence required will depend on the final decision on the rent policy to be adopted, and how it is to be implemented.

At the same time it is not proposed to return to a system of direct regulation of rents, as under the 'fair rent' regime, but rather to leave the responsibility for setting rents on individual dwellings with each landlord, but within the context of a financial and regulatory regimes that should see a far greater consistency in local rents levels across both council and RSL landlords. This is an ambitious project, but there are many detailed questions still to be resolved about how the new rent policies will be implemented in practice. Within this, the decision about which of the three 'preferred' rent policies is to be adopted is only one small part. Moreover, whichever rent policy is adopted there will be profound implications for the future prospects of individual RSLs.

Current rent regimes

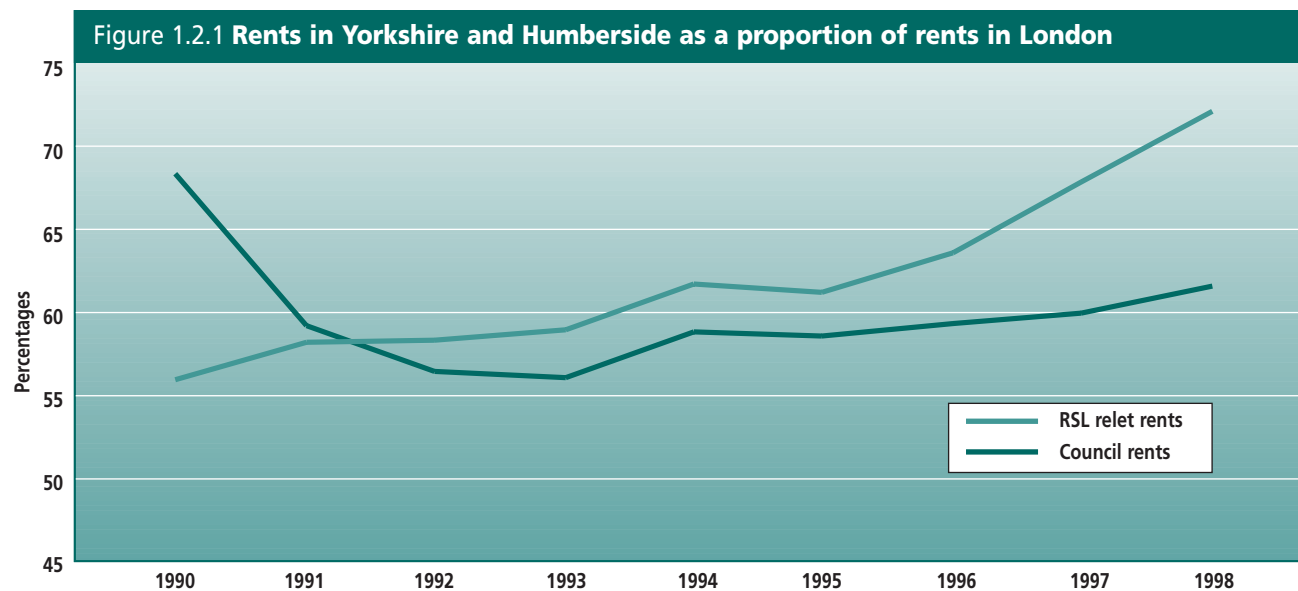
The current lack of a coherent rent policy for the council and RSL sectors was examined in detail in the 1997/98 edition of the *Review*¹. One of the key

underlying differences in policy over the last decade is that while council rents have been linked to capital values, through the rent policy embedded in the housing subsidy system, RSL rents have been linked to earnings, through the formula embedded in the Housing Corporation's grant rate model. As a result of this discrepancy north-south rent differentials in the council sector have widened over the last decade, while RSL rent differentials have narrowed (Figure 1.2.1).

The differentials in council rents grew rapidly in the early years of the 1990s, and have subsequently eased back. This is primarily because initially the subsidy rent guidelines were based exclusively on capital values, while since the mid 1990s they have been based 50 per cent on capital values, and 50 per cent on earnings. However, it is also partly because differentials in north-south capital values eased back during the course of the 1990s, reversing the excesses of the late 1980s housing market boom (see Table 43 in the *Review Compendium*).

Three policy options

The current rent formula in the council housing subsidy system thus provides the basis for one of the three main rent policy options set out in the Housing Green Paper. A second option is to reduce the element of rents based on capital values to 30 per cent, and increase the element based on earnings to 70 per cent. The third option is based on capital values and 'running costs'. One indication of the potential impact of those options on current RSL rents is shown in Table 1.2.1.



Papers published by DETR following the Housing Green Paper have thrown a little more light on the potential implications of the options for rent reform put forward in the Green Paper². One is a summary of the initial work that HACAS undertook for DETR exemplifying the potential impact of a much wider range of rent policy options for RSLs. Another is a DETR guide for RSL and council landlords, to allow them to calculate the sort of rents that the three Green Paper rent options might mean in practice. One key point is that for most RSLs the rent restructuring proposals will have a far greater impact than the annual RPI formula; and that their future viability will depend on the interaction between the different components of the new rent policy framework, rather than any individual factor.

The new rent policies will have a less dramatic impact on councils, given that their subsidy formula is already linked in part to capital values. The greatest impact is likely to be on those councils with rents that are substantially higher than the current subsidy guidelines, primarily as a result of past decisions to fund additional investment directly from rents. The housing subsidy system will also provide a cushion to allow councils to adjust to the requirements of the new rent policies. If rent guidelines go up, there will be an offsetting reduction in subsidy; if rent guidelines go down there will be an offsetting increase.

The three main rent policy options involve an element related to capital values, and an element

related to either earnings or running costs. Two options are based on a combination of earnings (70 per cent or 50 per cent) and capital values (30 per cent or 50 per cent), with one option based on a combination of capital values and running costs, in which the running costs element is expected, on average, to account for just under a half of average rents in the RSL sector.

Devil in the detail

If both the DETR and HACAS papers will inform the debates about rent policy issues during the Green Paper consultation period, they also reveal the shortcomings of our current knowledge about the capital values of dwellings in the council and RSL sectors. There are also many practical steps still to be resolved about how the preferred rent policy option is to be implemented, and the decisions on those implementation issues will be just as significant for many social landlords as the 'in principle' decision between the three rent policy options favoured by the Green Paper.

A central limitation in working through the implications of rent policies based on capital values is the absence of a consistent local level data set on the vacant possession capital values of stock in the RSL sector. The DETR guidance is based on 1999 valuations of the sample of council and RSL dwellings that were covered by the 1996 English House Condition Survey, from which the DETR derive formulae that can be applied to the stock of individual councils or RSLs. While the DETR guidance is extremely helpful, the constraints of the

limited size of the national sample of RSL valuations should be recognized, together with the need for RSLs to have appropriately defined capital values at current values to apply the DETR formulae.

The HACAS modelling for DETR used Halifax house price data for dwellings at the bottom end of the owner-occupied sector to create an index of locational variations in capital values by local authority area. However, the initial local level HACAS analyses of capital value rents covered by the published DETR summary all generated far sharper north-south variations in values than those reflected in the EHCS valuations of RSL stock. Consequently subsequent HACAS analyses damped the local level Halifax capital value data so that when applied to the RSL stock it generated north-south variations more consistent with the EHCS valuations.

Using damped capital values data the HACAS report also shows the potential impact of the three Housing Green Paper rent policy options in redistributing average RSL rents between regions (at 1998 levels), as seen in Table 1.2.1. In all three cases this shows rents rising in London, and reducing in the East Midlands and the northern regions. The extent of the rises reflect, however, not just the relative weighting attached to capital values in the three policy options, but also the approach taken to modelling earnings and running costs.

For example, while the HACAS modelling uses county level earnings data, the DETR guidance is based on regional earnings data, and while the

HACAS modelling uses earnings data for low earnings across all sectors of the labour market, the DETR guidance uses average manual earnings data. Similarly, while the HACAS modelling applies a flat rate running costs component nationally, the DETR guidance is based on formulae used in the local authority housing subsidy system, that differentiates between dwellings of different types and sizes, and applies weightings for regional cost factors.

Thus, while Table 1.2.1 from the HACAS report shows that the regional rent changes under the 'running costs' option would be lower, this is largely as a result of the flat rate assumption on running costs. If a regionally disaggregated approach on running costs were to be adopted the impact on average regional rent differentials would be more like those resulting from the '50:50' capital values and earnings policy option.

Table 1.2.1 Impact of the Housing Green Paper rent options on average regional rents

Region	Current rent £ pw	1. 70:30 option % change	2. 50:50 option % change	3. Running costs % change
London	60.73	+ 11	+ 14	+ 5
South East	58.31	- 3	+ 0	+ 0
South West	54.24	- 8	- 6	- 1
East Midlands	52.25	- 13	- 17	- 12
Eastern	52.79	+ 1	+ 2	+ 2
West Midlands	48.69	+ 2	+ 1	+ 5
Yorkshire & Humberside	48.31	- 7	- 11	- 6
North East	47.14	- 9	- 15	- 10
North West	47.77	- 5	- 10	- 6
Merseyside	44.53	+ 4	- 2	+ 2
England	53.56	0	0	0

The table provides an *illustrative* example of the potential impact of the three main rent policy options outlined in the Green Paper. The figures shown are based on the methods and data sources used in the HACAS work for DETR. However, the Halifax Plc local capital values data has been 'damped' so that they produce regional variations in capital value that broadly correspond to those found by the English House Condition Survey valuations of RSL stock. The unadjusted Halifax capital values utilised in the initial work for DETR produce far greater regional variations.

The three rent policy options shown are:

1. Rents based 30 per cent on capital values, and 70 per cent on earnings. Data etc. as in 2.
2. Rents based 50 per cent on capital values and 50 per cent on earnings. Capital values are based on adjusted local Halifax data for 4/5 room dwellings. Earnings are county level data for low earners from the New Earnings Survey.
3. A flat rate provision is made for all running costs, to cover management, maintenance and major repairs. This accounts for just under 50 per cent of national average rents. The balance is based on the adjusted local Halifax capital values data, as in 1 & 2.

Many northern RSLs are likely to favour a rent policy option that gives as little as possible emphasis to capital values, and has the least effect on the current structure of RSL rents. There are, however, two points that they should consider before committing themselves to that approach. The first is that one of the major problems for many RSLs operating in the north is that their rents are very close to market levels, and this makes it difficult for them to either attract or retain economically active tenant households³.

The other factor is the link between the degree of convergence required between RSL and council rents, and the degree of emphasis on capital values in the chosen rent policy. For England as a whole the average capital value of RSL dwellings is some 20 per cent higher than that for council dwellings. This is *not* because RSL dwellings are on average better quality than council dwellings – differences in quality have only a very limited impact on capital values. It is because more RSL dwellings are located in the south of England, not least because of the impact of stock transfers, in locations that have higher capital values. It follows from this that the greater emphasis on capital values in the adopted rent policy, the lower will be the extent of the convergence required between average rents in the two sectors, and the shorter the period that average annual RSL rent increases will be pegged to RPI.

Related issues

It will therefore be critically important not just which rent policy option is chosen in principle, and how large a component is formed by capital values, but

how earnings or running costs are defined in practice. Other important issues to be resolved relate to the definition of rents, and, to quote from the DETR guidance – ‘the degree of flexibility for social landlords to set rents for individual properties within a restructured framework’.

While the DETR guidance is based on net rents, the HACAS modelling is based on RSL rents inclusive of service charges eligible for housing benefit. Part of the problem here is the lack of consistency between RSLs on whether they include components of costs, such as maintenance of common parts and grounds, as part of the net rent, or as a service charge. Current Housing Corporation rent monitoring is based on rents inclusive of service charges eligible for housing benefit, not least because if monitoring focused only on net rents this would be an open invitation to all RSLs to switch a range of costs to service charges.

For RSLs with a substantial proportion of self contained supported and sheltered accommodation the rent definitions applied have an even greater significance, although this definitional point should become less of an issue once the new financial regime for support costs has been introduced. What will be far more important for those RSLs will the combined impact of rent restructuring and the new financial regime for support costs over the same period of time.

The issue of the ‘degree of flexibility’ for individual landlords is also important. Currently the Housing Corporation focuses its concerns on RSLs whose rents are more than 5 per cent above local averages for the

sector. If a similar degree of flexibility is permitted under the new regime it will significantly ease the process of adjustment for RSLs, relative to a policy requiring a greater measure of conformity.

A final element in the rent policy proposals set out in the Housing Green Paper is that, for individual tenants, rent increases or decreases related to restructuring will be limited to £2 per week each year. While it appears from the Green Paper that these phasing limits would apply after taking account of annual RPI increases, the details of how this element of policy is to be operationalised also remains to be determined. For most RSLs these phasing limits would see compliance with the new rent policies achieved within a ten year period, and in many cases over a far shorter period. The bigger question for many RSLs is whether they can comply with the new rent policy requirements, at the same time as remaining viable, and complying with the requirements of private funders.

There are important debates to conclude about the moves towards a more coherent rent policy for the council and RSL sectors. These raise particularly acute issues for the RSL sector, because they are being asked to adjust to the new regime without the ‘financial parachute’ that the housing subsidy system provides to the councils that will be required to reduce their rents under the new policy framework. If, however, those debates are to be fully informed there needs to be just as much emphasis on data, definitions and implementation, as on first principles.

Radical benefit reforms shelved

If the Green Paper proposals to restructure rents in the social sector live up to their billing in the 1999 Budget (albeit with less emphasis on capital values), the proposals for housing benefit reform are extremely modest, and options for radical reforms are pushed off in to the indefinite future. In part, the rationale is that a more coherent rent structure for the social housing sector needs to be in place before consideration is given to radical benefit reforms. However, while that rationale may apply to the way that social sector rents are supported, it does not provide a logical reason for the failure to carry forward more radical reforms of the way private sector rents are supported by the scheme, or for more radical reforms to improve work incentives.

Instead the Green Paper sets out for consideration only a very limited range of minor reforms. After the way in which the 'Simplification and Improvement' proposals worked up jointly with the local authority associations over a year ago were shelved, while the DETR/DSS considered options for more radical reforms, this can only be described as disappointing.

There is a welcome emphasis in the Housing Green Paper on improving administrative performance, but a heavy reliance on Best Value as the mechanism for bringing about those improvements. While there is a recognition of the complexity of the scheme, the discussions of possible simplifications to the scheme is extremely cautious in its tone. This is in marked contrast to the progress demanded in tackling housing benefit fraud, despite the evidence that the

failure to properly pilot the 'verification framework' led to near administrative meltdown for the first group of authorities to sign up to the programme, and the additional administrative funding it offered. While the framework requirements have now been modified, it is still a crude instrument that works against targeting anti-fraud work on high risk claims, and is hampered by a refusal to countenance support from housing association staff in implementing verification checks.

Timid approach to minor reforms

The Green Paper does discuss the option of setting benefit entitlement for fixed periods of time, but only seems to see this as an option for pensioner claimants. The administrative advantage of fixed periods of claim are substantial. Not only does it avoid the need for additional redeterminations, often for minor changes of circumstances, it removes the far more burdensome task of seeking recovery of overpayments. It is rather odd that while the Working Families Tax Credit Scheme offers fixed awards for six month periods, where it is seen as promoting work incentives as well as making the scheme administratively manageable, the Green Paper does not seem to recognise the case for a similar approach for in-work housing benefit claimants.

There is a similarly lukewarm discussion of options to improve the work incentive characteristics of the housing benefit scheme. The March Budget announced a £5 per week increase in the 'earnings disregard' for disabled and 'carer' claimants, and

some further very selective increases in the disregards for specific categories of claimants would appear to be the height of the Green Paper's ambitions. This ignores the fundamental case for increasing the earnings disregards, which for single people and couples with and without children have remained unchanged since 1988, since when inflation has almost halved their real value.

One consequence of that failure is that a greater number of low paid claimants will inevitably find that travel and other work related costs increasingly negate the financial benefits of working. An increase in the earnings disregard would rectify that problem, and is more readily grasped than making changes to the housing benefit tapers. It could provide an effective way of promoting the government's 'welfare to work' message.

Looking a little further ahead, the Housing Green Paper also acknowledges the case for more closely linking the housing benefit scheme to Working Families Tax Credit, but seems to see this as being inextricably linked to a 'shopping incentive' approach across all tenures. This need not be the case. A basic flat rate housing credit element could readily be added to the Working Families Tax Credit ('WFTC'), while the balance of housing costs continued to be met through the housing benefit scheme. This approach would build on the benefits of the more generous WFTC, that has already substantially reduced the numbers of WFTC claimants still needing to additionally claim housing benefit. An ideal time to make such a link would be April 2003, when the

government plans to replace WFTC and child benefit with new child and employment tax credits. There is no reason why a new housing credit should not be created at the same time.

Turning to another aspect of the scheme related to work incentive issues, there is no discussion in the Green Paper of the punitive treatment of savings under the housing benefit scheme. Where claimants have savings in excess of £3,000 (another figure that has not been uprated since 1988) they are deemed to have a ‘tariff income’ of £1 per week for every additional £250 of savings. Unless the claimant has miraculously found an investment providing a 21 per cent net rate of return on their savings this tariff effectively requires claimants to eat into their savings, as well as totally foregoing any income they might derive from those savings. The failure to review this aspect of the housing benefit scheme is also remarkable given the government’s desire to see more lower income households take out private pensions to supplement their retirement incomes.

Non-dependants

The Green Paper discussion of the deductions made to housing benefit entitlement for contributions to the rent by ‘non-dependants’ (mainly adult sons and daughters) offers little scope for simplification, given the government’s commitment to the principle that it wishes to continue to rate the level of the deductions to the income of the non-dependant member of the household. The only prospect of reform it offers is to reduce the number of the six income bands for which fixed levels of deductions

are set. This is not a ‘simplification’ that would make any change to the administrative burden these provisions place on authorities. However, as with basic benefit entitlements, the administrative burden would be eased if the deductions for working non-dependants were also fixed for six month periods, and changes of circumstances did not need to be reported within that period.

More fundamentally there is a strong case for reducing the highest levels of the earnings disregards, which currently stand at £43.50 and £47.50 per week. In both cases these can amount to more than the total rent of the dwelling, and in effect assumes that the non-dependant in those cases should be willing to pay the rent for the whole dwelling, rather than a reasonable contribution for their share of occupation of the dwelling. Research for the DSS a few years ago showed that in practice these rules led to conflicts within families with adult children, and frequently left parents in poverty when they were either unwilling or unable to get a contribution to the rent that matched the level of the non-dependant deductions.

Despite that research, the Labour government significantly increased the levels of the non-dependant deductions, in order to make savings to offset the costs of not extending the ‘single room rent limits’ to single people aged over 25 in October 1997, under plans inherited from the previous government. This was argued to be ‘necessary’ in order to maintain Labour’s commitment to keeping within the expenditure plans inherited from the

previous government, for the first two years of its office. In fact it was wholly unnecessary, as the local reference rent and single room rent limits already introduced were already contributing to far greater savings in expenditure on housing benefit than had been estimated at the time they were introduced, not least as the limits led to many private landlords withdrawing from the sector. The outturn expenditure on private sector housing benefits in 1997/98 was £5.7 billion, against the estimate of £6.0 billion in the expenditure plans Labour inherited from the previous government.

In this context there is a strong case for Labour to proceed with its suggested reduction of the number of income bands for non dependants by abolishing the upper two contribution bands, and merging the lower income bands at the lower levels of contribution as shown in Table 1.2.2 below:

Table 1.2.2 Illustrative reform of non-dependant deductions

Non-dependant gross income band	Current deduction	Proposed deduction
Less than £81 per week	£ 7.40	£ 7.40
£81 to £120 per week	£17.00	£ 7.40
£120 to £157 per week	£23.35	£23.35
£157 to £207 per week	£38.20	£23.35
£207 to £259 per week	£43.50	£38.20
Over £259	£47.75	£38.20

Even at these lower levels there remains a strong case for additionally setting an overriding upper limit on non-dependant deductions, at the level of one half of the total rent of the dwelling that they share with the tenants (in most cases their parents). This would prevent the deductions reaching disproportionate levels in low rent areas, and would further ease the household tensions that arise as a result of the current rules.

A more general failure of the Green Paper is that it does not seem to recognise the potential links between the perverse incentives that are features of the housing benefit scheme, such as the very limited work incentives, the punitive treatment of savings and the excessive levels of non-dependant deductions, and the extent of housing benefit fraud. Carrots in the form of more reasonable incentives may be just as effective in deterring fraud as the various administrative sticks that characterise the current approach to tackling fraud, and without the negative knock on effect on administrative performance.

Rent limits

Having abandoned ideas for the radical reform of the system for setting limits on the levels of rents eligible for help through the housing benefit scheme, such as those set out by Peter Kemp⁵, the Housing Green Paper suggests only minor reforms to the current system. It suggests that the definition of 'single room rents' could be broadened to encompass a variety of forms of shared housing, including the sharing of houses or flats where

individual residents have the shared use of a kitchen and living room (as opposed to the current definition of a room plus shared toilet only). While this would be a step in the right direction it is not clear how far this would effectively increase the supply of private rented lettings to young single people.

The Green Paper also discusses the option of setting more transparent local limits on eligible rents, rather than relying on the belated discovery that benefits will not cover the rent after a rent officer determination has been made. While there is a strong case for a more transparent approach, if those limits were set on a wider geographical basis compared to the 'localities' used by rent officers in determining local reference rents, this would serve to increase the impact of the restrictions in higher rent localities within the wider area.

More generally, one of the advantages of a shopping incentive approach, along the lines suggested by Peter Kemp, is that households would not face the crude cut offs that characterise the current 'all or nothing' system. Instead, if a rent exceeded the level implied by a flat rate contribution based on 20 per cent of average local rents, the tenant would be required to contribute 20 per cent towards the excess rent, rather than 100 per cent as under present rules. Such a change would significantly reduce the levels of shortfalls faced by tenants under the current system, and this would also make it easier to switch to a more transparent system, with the '20 per cent'

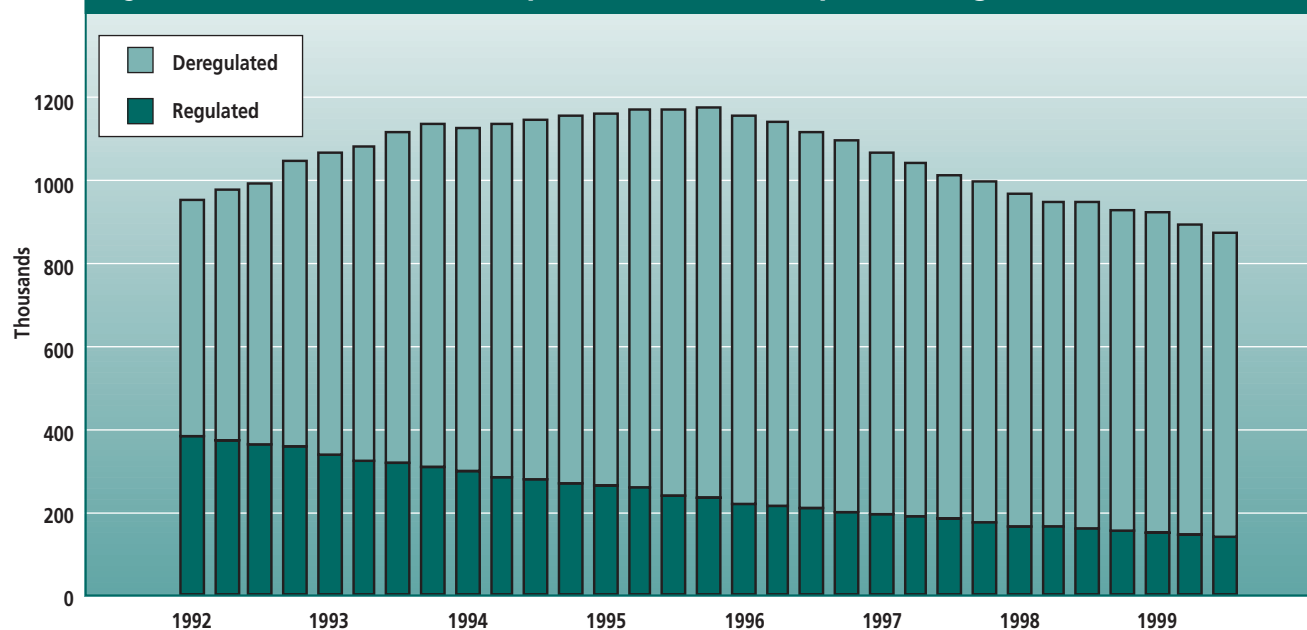
contribution based on average rents within each local authority area, rather than the generally more disaggregated 'localities' created by rent officers under the current rules.

This approach could offer the best method of tackling the extensive rent shortfalls created by the current rules⁶, and deserves further investigation. Hopefully the DSS will make available some of the results of the detailed modelling that they undertook in evaluating the 'shopping incentive' approach, even though the Housing Green Paper ducks the issue. Reform in the private sector, both to ease the hardship for tenants, and to reverse the continuing decline in the supply of private rented dwellings to claimant households (Figure 1.2.2), is far too urgent to wait the decade or so that will be required to achieve a more coherent structure of rents in the social rented sector.

Higher ambitions

It is to be hoped that the responses to the Housing Green Paper, including a highly critical report from the House of Commons Social Security Committee, will encourage the government to be more ambitious in its proposals for housing benefit reform. Spending on housing benefit is by far the largest component of overall government expenditure on housing, and failure to adopt a more radical approach will leave in place an excessively complex and erratically administered scheme, riddled with perverse incentives.

Figure 1.2.2 Decline in numbers of private tenants in receipt of housing benefit



The issues of housing benefit reform related to low-income home-owners are considered separately in the 'Half the poor' (Contemporary issues 1) article.

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Section 1 Contemporary issues 3

The end of council housing?

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The future of council housing and how to tackle its investment needs are key issues in the government's Housing Green Paper. As part of the *Review's* analysis of developments in government policy, this article looks in detail at the changes taking place in council housing and whether it will survive in its present form.

Twelve years ago, Chiltern Council in Buckinghamshire decided to transfer its 4,650 council houses to a new housing association set up

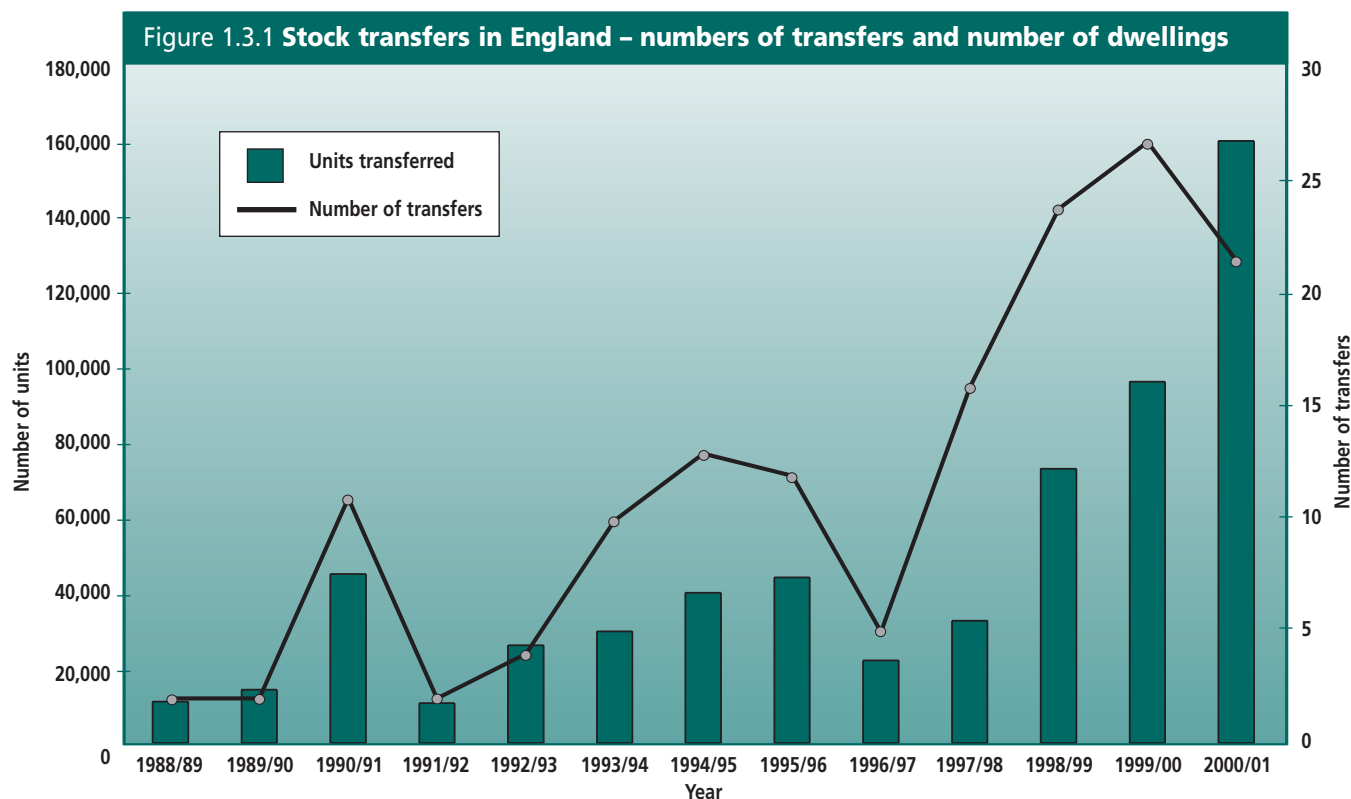
for the purpose. It started a quiet revolution in social housing which spread over the next two years to other places in the south-east, then expanded across England. Confined initially to the leafy suburbs, in 1996 stock transfer arrived in inner-city estates (Walsall and Manchester) and now looks likely to result in the disposal of the whole council housing stock in cities such as Coventry, Birmingham and Sunderland. At first an English phenomenon, it seems possible that stock transfer in Scotland will soon gain the big prize of Glasgow's 90,000 council

houses – to be followed by several more urban and rural transfers. In Wales, no transfers have yet taken place but the National Assembly is actively encouraging them and several councils are looking at the options. So this poses the question: is this the end of British council housing?

Twenty years ago Britain as a whole had more than 6 million council houses. Much the biggest impact on the stock of council housing which the last government inherited in 1979 came from the Right to Buy. By the time the Chiltern transfer took place in 1988, numbers of council homes in England had already fallen from 5 million to just over 4 million. Over the twelve years since then, transfer has accounted for the 'loss' of around 450,000 more properties, but the effect of the Right to Buy has been even greater, with about 700,000 more houses sold. The total stock still stands at 3.2 million in England but is set to continue falling as the present government gears up to approve transfers totalling 200,000 per year. Transfer is now having a bigger impact than the Right to Buy and this is certain to continue (see Figure 1.3.1).

Why transfer?

A primary motivation for stock transfer has always been the backlog of improvement and repair work needed to council houses, and the unlikelihood of the necessary investment being found from public funds. For the first time, in the recent Housing Green Paper the government estimated the scale of the backlog in England – £19 billion – and set a target to tackle it within ten years.



Source: DETR data. Note: based on actual transfers up to March, 2000 and projected transfers during 2000/01.

Other reasons for transfer have included the capital receipts which many councils receive from the sale of the houses (often now used for new house building), the degree of protection which it affords to the stock from the Right to Buy, and (in Scotland particularly) the prospect of government help to clear outstanding debt.

Transfer in England was made even more financially attractive in the last year of the Conservative government with the suspension of the transfer levy (designed to recoup some of the 'profits' from transfer for the tax-payer). Although the levy has been reinstated, only some 700,000 of the remaining council houses are in shire districts (the councils most likely to be liable to pay the levy). Around 2.5 million houses are in city areas where there are less likely to be a positive receipt yet the lack of alternative sources of investment still makes transfer a very attractive option.

In the past year, the government has given mixed messages to councils about the costs and benefits of transfer, and the factors in the equation have been changed. On the positive side, the government clarified the circumstances in which it will assist councils with outstanding debt. The outcome is that, for whole stock transfers, there is less danger that the council might be left with residual housing debt with no stock to generate rental income with which to pay it. This decision has paved the way for transfers such as Burnley and Coventry which might otherwise have failed. The last Budget also removed stamp duty on transfers.

At the same time, the Estates Renewal Challenge Fund, set up by the previous government specifically to aid partial transfers in urban areas which required a 'dowry', has been ended. (It led to over £500 million being distributed to 24 local authorities for 39 transfer schemes, involving over 44,000 properties in places such as Hackney, Tameside and Tower Hamlets.) Although in theory dowries continue to be available either through Housing Investment Programmes or through the New Deal for Communities, in practice transfers of individual estates are likely to be much less common in future than whole stock transfers in urban areas. (Of the 23 transfers in the 2000/01 programme, all but three are whole stock transfers.)

In areas with higher rents and lower investment needs, the cost-benefit equation still favours transfer despite the reintroduction of the levy of 20 per cent of the net receipt. However, many councils are also concerned about the adverse impact on their general funds (one, New Forest, pulled back from transfer partly for this reason). The advantage of transfer in avoiding the effect of the cross-subsidy within Housing Revenue Accounts (whereby rents from working tenants pay part or even all the cost of housing benefit for other tenants) will also be less clear cut. With the advent of resource accounting in 2001/02, benefit for council tenants will eventually be paid in a similar way to that for other tenants, although surpluses in HRAs will continue to be pooled nationally.

Do transfers work?

The telling test of stock transfer is whether it results in a better service for its customers. The last survey of tenants' views post-transfer, carried out seven years ago¹ suggested a positive outcome. DETR has now published a new version of the earlier survey², which in many respects paints a similarly reassuring picture. Compared with ordinary local authority tenants, of whom 33 per cent were found to be very satisfied and 46 per cent satisfied with their landlord, the tenants of stock transfer landlords were found to be very satisfied in 41 per cent of cases, and satisfied in 44 per cent.

The survey provides some evidence that the high levels of satisfaction fall off somewhat once the initial improvement works are completed, possibly because of inferior repairs services. This suggests that it is crucial that the new landlords take full advantage of the investment boost which stock transfer brings, to ensure not only that houses are fully modernised but that they are kept in good condition thereafter. Nevertheless the report's authors say that there is:

"clear evidence that tenants of LSVT associations are more satisfied with their current landlord than local authority tenants as a whole".

Another important factor in answering the question, does transfer work, is whether tenants will vote for it. Up to the end of 1999 there had been 148 tenant ballots in connection with transfer, of which 74 per cent were successful (i.e. the transfer proposal was approved). Although the prospects of success are

evidently quite high, the failure rate is by no means negligible and has resulted in high profile transfer proposals such as that for Cambridge's housing stock being stopped in their tracks. This causes obvious problems for councils which have invested so much time and commitment in the transfer proposal, and which may have considerable difficulty identifying any alternative way of generating the investment needed for the properties.

One of the measures which would allay tenants' concerns about transfer is removing the need for a change of tenancy status from 'secure' to 'assured' tenancies. This was believed to be an important factor in the adverse ballot result in the Sandwell transfer in 1997. The case for a single tenancy in the social sector has been made³, and in Scotland has now been taken up in proposed legislation. DETR has been more cautious but has included the idea in the Housing Green Paper⁴.

Transfer to what, exactly?

As the switch in emphasis of stock transfer from the leafy suburbs to the big cities took place, it was accompanied by a change in the style of transfer body, from organisations resembling traditional housing associations to ones bearing a range of titles but more often based on what has become known as the 'local housing company' (LHC) model. First advocated in 1993⁵ and adopted as government policy in 1996, local housing companies began to start operating in March, 1998 with the transfer of 1,800 dwellings to the Poplar HARCA in Tower Hamlets. Since then, the majority

of transfers have been set up on this model (it is difficult to be precise about numbers as in practice the two models have tended to converge).

The key characteristics of local housing companies are that they:

- are a non-profit organisation, usually a company limited by guarantee;
- have a majority of board members who are nominees of the council or elected by tenants;
- employ measures to ensure a continuing relationship between the company and the council, e.g. limitations on the geographic area of operation of the company.

The new vehicles show many signs of being successful but have not been without their difficulties. Despite the higher levels of tenant involvement, tenants have not always voted in favour of LHC-style transfers (notably in the cases of Sandwell and Cambridge). Other difficulties have arisen because of the scale of investment required and ambitious attempts to combine physical renovation with wider social and economic regeneration⁶. Nevertheless, LHCs are now the favoured vehicle for transfer in England and are likely to become so in Scotland, often under the banner, Community Housing Trusts.

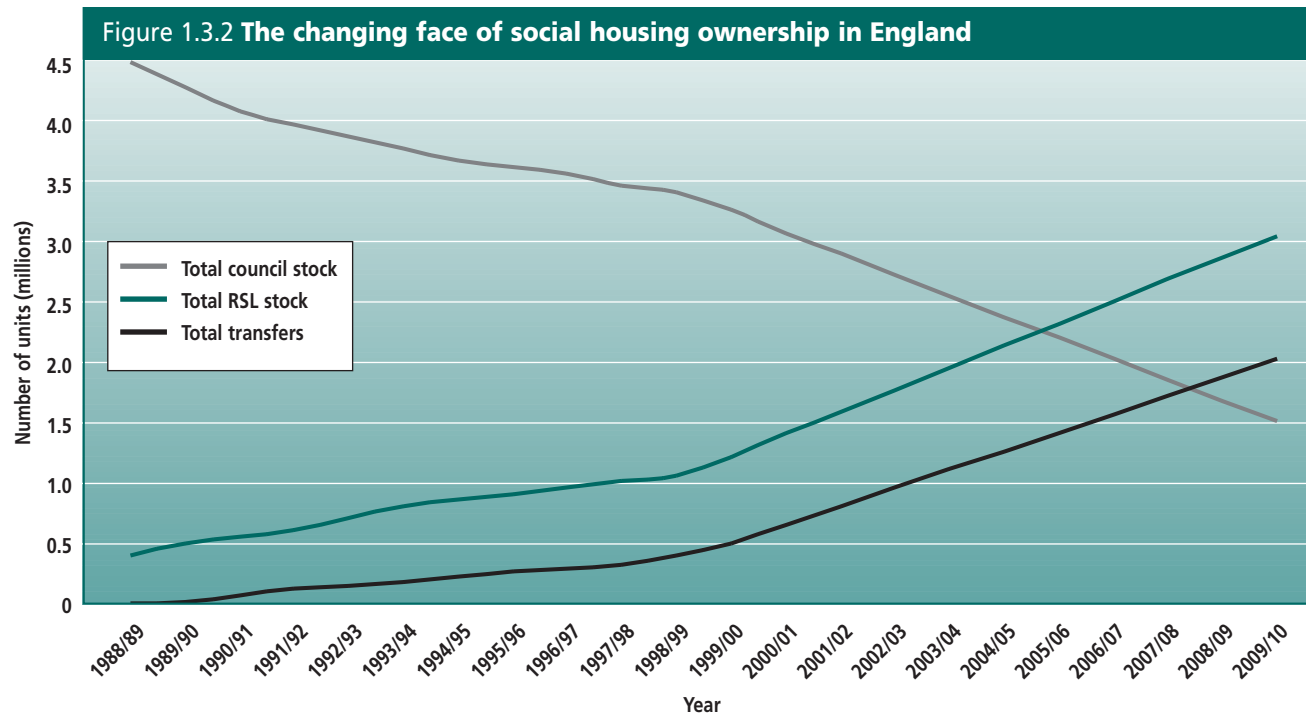
The changing face of social housing ownership

Of course, stock transfers have a different impact from the Right to Buy, because houses are kept in the social rented sector and are available to meet

the same needs as before transfer. However, the process is having a profound effect on the make-up of the social rented sector, as Figure 1.3.2 demonstrates. It shows the changing pattern of ownership of social housing over the past few years, and the way it may develop over the next decade if the government's current plans are implemented. The overall stock of social housing in England will stay about the same, depending on the balance between losses through the Right to Buy and additions through new development. But by as soon as 2004, registered social landlords could own the majority of social housing, and within only a year, the bigger share of the RSL sector will be held by stock transfer bodies as against 'traditional' RSLs.

In Scotland, in addition to Glasgow there are six other local authorities working towards full transfers, and one, Berwickshire, which transferred its stock several years ago. If these transfers proceed, the current local authority stock of just under 600,000 dwellings could fall by a quarter. In practice, the picture is more complex, as a number of partial transfers have already taken place in Scotland, and more are likely. Councils' share of the total housing stock has traditionally been higher in Scotland than in England and Wales, but this could soon change.

One outcome of these developments is the potential financial strength of the social housing sector. Studies by the Chartered Institute of Housing⁷ have shown that the traditional part of



Notes:

1. Based on actual transfers up to 1999/2000, DETR transfer programme 2000/01, and an assumed rate of 150,000 per annum thereafter (assuming a programme of 200,000 per annum but with 25 per cent 'fall out').
2. Housing association stocks are assumed to grow by 30,000 per annum through new build, plus the transferred local authority stock.
3. Local authority stock is further depleted by an assumed 20,000 per annum loss through Right to Buy.
4. No allowance has been made for demolitions.

the RSL sector is reasonably robust (subject to the impact of changes in rent policy and in patterns of demand), but that the stock transfer sub-sector could become much more so, as its debt profile matures. The process of transfer is creating a whole sub-sector of new bodies which will have significant development capacity a few years hence, but outside the democratic framework within which their housing stock was originally built.

How much investment?

Up to the end of March 2000, transfers had resulted in more than £3.6 billion paid in transfer prices, and loan facilities of double that amount, the latter reflecting in large part the investment to be made in the transferred stock. This represents a substantial investment, but there is still a considerable backlog of work needed, as until recently less poor quality stock has been transferred. The amount that would

be needed to transfer the whole of the remaining English council stock is understood to be of the order of £12-18 billion, with a similar amount in addition for the new investment needed. Over ten years, this would equate to between £2.4 and £3.6 billion per year in private finance.

An indication of the scale of finance needed in big cities is provided by the estimates for the Birmingham and Glasgow transfers, which will each need to raise in the order of £1 billion or more. This compares with the *total* of £1.7 billion likely to be raised for the 23 transfers in the 2000/01 English programme. Clearly, however, if something like double the present levels of finance can be raised in future transfers, the backlog could be massively reduced.

What stands in the way of transfer?

Availability of funding on the scale needed is one potential obstacle. Falling margins and returns to lenders have seen a decline in the number of lenders in recent years. As one commented recently, the last round of transfers saw, *"some very fine pricing (suicidal in return terms) for one or two transfers with others (particularly those with urban regeneration issues) seeing a modest but appropriate risk premium being levied."*⁸ The same lender concludes that, whilst the 2000/01 programme is likely to achieve its funding requirement, this is likely to be at the expense of bigger margins, reflecting the perceived greater risk with many of the current round of transfers.

Another hurdle is local politics. The transfer process in Glasgow has been fraught with difficulties,

particularly about the shape of the transfer body or bodies, and the extent to which tenants and existing community-based housing associations will be involved. In an unprecedented move, decision-making has been personally directed by the Scottish housing minister. The tenant ballot remains a formidable obstacle given the numbers involved (the 'no' vote in Sandwell was said to have reflected the difficulty of communicating effectively with tenants – and it only affected 7,000 compared with Glasgow's more than 100,000.)

The Birmingham transfer could face similar difficulties. Of the same scale as Glasgow, it has already been deferred until 2001/02 and the housing minister has also decided to get personally involved. One contentious issue is the planned demolition of as many as 30,000 units (compared with Glasgow's 16,000), a move intended to ensure long-term demand for the transferred stock. Another issue (as in Glasgow) is the relationship between the transfer bodies and existing RSLs, some of which have active experience in the social and economic regeneration which will ultimately determine whether transfer succeeds.

Even councils as big as Glasgow and Birmingham face a resource problem of a different kind: how to find skilled staff and board members for the new community-based bodies which will run the stock as subsidiaries of the main transfer vehicle (in Glasgow's case, probably at least 14, and in Birmingham's, 11). Many existing RSLs doubt whether the skills exist on the scale required, particularly given the competition

from other transfers. Other big-city transfers such as Sunderland may face similar obstacles.

What are the alternatives to transfer?

Another increasingly important factor in the debate is the emergence of alternatives to transfer, particularly since publication of the DETR Housing Green Paper. Until recently, councils and tenants unhappy with the prospect of transfer had little alternative except to hope to make the best of a bad job using the resources available through their housing investment programmes. (In England, housing investment was boosted by about £5 billion from 1997 onwards through the capital receipts initiative, but extra resources were not made available for normal council investment in Scotland and in Wales housing investment continued to decline).

But initially two other options, and now a third, have been put on the agenda in England. They are bound to influence decisions made at local level:

- Eight pathfinder PFI schemes are going ahead, involving the improvement of existing stock with private funds but *without* a change of ownership. PFI involves no 'loss' of stock, no tenant ballot and no change in tenancy status.
- Resource accounting and budgeting (RAB) is to be introduced for all remaining local authority housing from 2001/02. This will involve payment of a new Major Repairs Allowance towards future stock maintenance. Some councils with better stocks may be able to generate sufficient investment under these new arrangements,

although for others the process will throw the backlog of disrepair into even clearer focus.

- The Housing Green Paper heralds new 'arms-length companies' which would be set up to manage council housing, and which may gain more investment freedom if they show themselves to be good performers in terms of the government's Best Value regime.

The last option has excited particular interest as it resembles proposals made by the CIH, LGA and others in recent years for options which would allow councils to retain ownership of their housing in some form but with the ability to raise investment funds⁹.

If the obstacles in the way of stock transfer sometimes seem considerable, this is no less the case with the new options. For a start, transfer has the distinct advantage of twelve years of operation, with a maturing lending market and tried and tested models and legal arrangements. Although PFI is a promising alternative for inner city areas, particularly because it avoids the cost of buying out the existing stock or repaying its debt¹⁰, no scheme is yet operational. The resources to be made available through RAB remain the big question-mark over the potential of a 'wait and see' approach involving retention of the existing stock. Although arms-length companies may turn out to be a real alternative it is clear that there will be a limit on the numbers allowed to proceed. How fast this new option will develop depends on the outcome of the Spending Review 2000 (see Section 2, Chapter 7), which is expected to pave the way for the first companies to start investing extra resources in

2002/03 and 2003/04. While the selected companies will be free to borrow, their investment will still count as public borrowing, and will have to be covered by a provision in the DETR budget. The rigidity of Treasury rules about arms-length public bodies has not been fundamentally changed by the new option but they will have some additional resources, whilst combining the public sector's lower borrowing costs with a more business-like operating environment.

Despite these qualifications, for those who have argued for a 'spectrum' of options to be available to councils and tenants in their decisions on the future of their council housing, one is now beginning to emerge, at least in England (see Figure 1.3.3).

Council housing in 2010 – a possible scenario

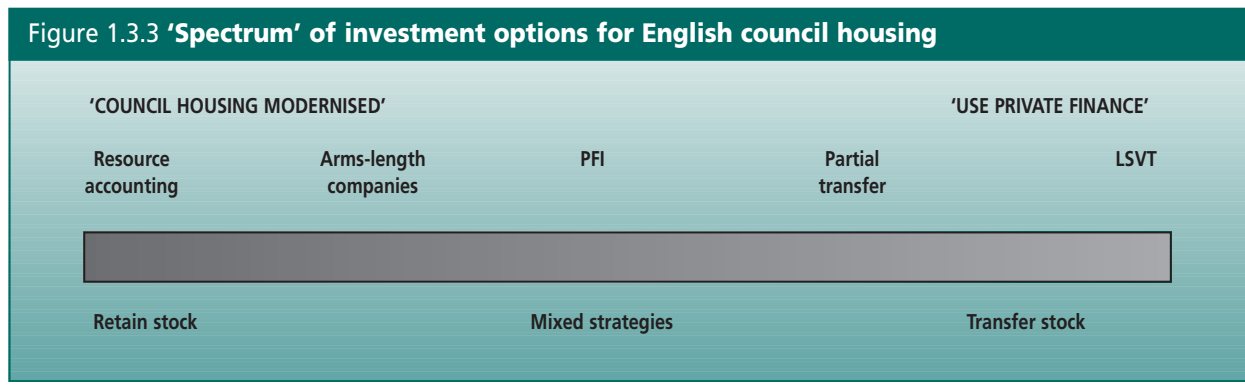
What might be the shape of council housing and the social sector generally in ten years' time? In Scotland and Wales, the possibilities appear limited. So far,

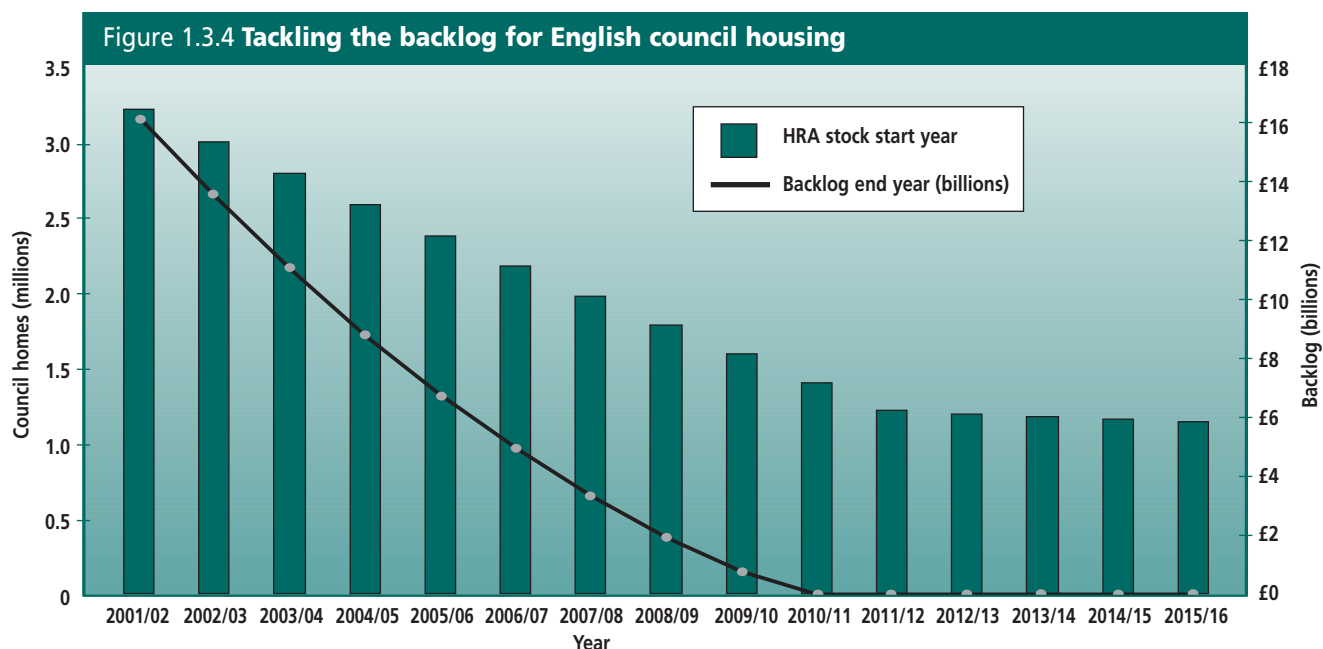
the devolved governments have indicated that the only route to significant investment in the stock is through transfer. Perhaps ironically, devolution could lead to the much faster disappearance of council housing north and west of the borders than might otherwise have been the case. But on the other hand, by backing stock transfer (so far) as the only available option, Scotland and Wales risk the collapse of their strategies if early ballot results go the wrong way.

England has around 3.2 million council dwellings, likely to be reduced to a maximum of 3 million by 2010 through the Right to Buy. The government expects to approve 200,000 transfers each year, which in theory could determine the future of two-thirds of the remaining stock. However, this is to ignore the effects of ballots, delays in the transfer process, and the effects of councils considering the other options. Past ballot results alone would suggest that no more than three-quarters of planned transfers will actually proceed. This indicates that on

a 'pragmatic' scenario, half of the remaining stock might end up permanently transferred (Figure 1.3.2). Of the remaining stock which stays in council ownership, it is impossible at this stage to forecast what the balance will be between the three emerging options described above. Under this scenario, whilst there will be more diverse arrangements for managing council housing, many councils will still retain ownership in some form. But whilst council housing would be in a much more sustainable form, the £19 billion backlog of work would have been only partly dealt with by that stage.

What would be needed to meet the 10-year backlog target if transfer is assumed at 150,000 per year, taking as the baseline the levels of resources expected to be available for direct investment in council housing in 2001/02? Graham Moody has recently produced such a scenario (Figure 1.3.4), based on continued depletion of the stock through Right to Buy (1.5 per cent per year) and demolition (15,000 per year) as well as transfer. He calculates that an additional £500 million investment per year would be needed initially to achieve the target of removing the backlog in the retained stock. The bulk would be dealt with through the transfer process, although stock transferred later in the decade would still have improvements outstanding at the end of the target time. Once the backlog had been eliminated the additional resource input of £500 million would no longer be needed, and before then transfer levy receipts mean that there would be savings on government investment budgets.





Note: based on work for the Institute for Public Policy Research by Graham Moody Associates; cost estimates based on capital availability at 2000/01 as set out in *Resource Accounting: Briefing Paper*, CIH, April 1999.

Conclusion

However the government's target is achieved, the role of councils will obviously be much smaller than it is now. Looked at over the thirty years from when the last Labour government left office until the end of the first decade of the new century, England could be left with between 0.5 million and 1.5 million of the five million council homes it had then. Scotland and Wales might by that stage be well on the way to seeing the last of their council homes.

In introducing the Housing Green Paper to Parliament, the Deputy Prime Minister, John Prescott,

said that, "there is a future for the council house". If by this he meant housing directly run by councils, it looks certain to be a very much reduced future. Since 1988, council housing has been re-inventing itself, under new management. The process will continue, accelerate and diversify. The test of the new forms of management that emerge will be whether the sector can shake off its old image, market itself to a wider range of customers, and engage in the wider community regeneration that is now at the heart of the government's priorities.

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Section 1 Contemporary issues 4

Allocating social housing: trends, proposals and prospects

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Introduction

If we look across Europe we can see that each country has its own housing traditions and characteristics. This is evident in the form of housing, whether the population are living in single family housing or multi-unit blocks of flats, in many different sizes, shapes and forms. It is also evident in the tenure differences between countries, with those with a high level of home-ownership (e.g. Belgium, Britain, Norway), countries with an extensive privately rented sector (e.g. Switzerland) and those countries with a significant non-profit making social rented sector (e.g. Britain, the Netherlands, Sweden), and the ways in which households access housing which meets their housing needs and preferences. This article is concerned with the social housing sector, and particularly with issues of how access to social rented housing has been organised, the ways in which housing opportunities are exercised, questions of openness or transparency in the process of letting social housing, and seeks to identify recent shifts in thinking about access to and the allocation of housing.

It has been prompted by proposed changes outlined by the British government in their recent Housing Green Paper, designed to reform processes of allocating social rented housing, giving greater choice to applicants for social housing (without undermining the key objective of meeting housing needs), offering greater opportunity for mobility for existing and potential tenants across the social rented sector, promoting more mixed and sustainable communities and contributing to

addressing the problems of changing demand for social rented housing in many parts of the UK.

The policy context

Britain has had a long history of providing non-market housing, usually for those on relatively low incomes (though not always the poorest), dating back to the mid nineteenth century and 'philanthropy at five per cent' through to the emergence of council housing (Merrett, 1979) and the growth of housing association (registered social landlord) provision of rented housing, particularly post-1974 (Malpass, 2000). Despite significant changes in housing policy in Britain over the last two decades, which has seen the marked expansion of home-ownership, major reductions in direct public expenditure on housing, and a massive decline in the council sector, both in terms of scale and quality, the social rented sector (housing provided by local councils or housing associations/registered social landlords) in Britain, continues to house approximately 22 per cent of the household population.

Traditionally, the allocation of social housing in Britain has been based upon providing for those in the greatest housing need, using policies and practices designed to be open, fair and non-discriminatory. Although central government has provided guidance on issues of access and allocations (e.g. CHAC, 1949; CHAC, 1969; DoE, 1978; HMAP, 1995; DETR, 1999), both local authorities and registered social landlords have remained relatively free to decide who is eligible for social housing and

to allocate housing according to their own priorities. Under the Housing Act 1996, local authorities are required to allocate council housing (and nominate households to RSLs) from a single housing register and, as amended by regulations in 1997, to give "reasonable preference" to certain categories of people, including unintentionally homeless people, in housing need. However, notwithstanding statutory guidance and regulation, social landlords have considerable autonomy in determining who gets housed in the social rented sector, in what type of accommodation and precisely where.

Current systems determining access to social rented housing and its allocation vary considerably in detail across the local authority and RSL sectors in Britain (Parker *et al.*, 1992; Griffiths *et al.*, 1997; Policy Studies Research Centre, 2000). However, whilst social landlords' housing registers may be organised in different ways, and different systems may be used for determining the relative priority of applicants, most have policies designed to provide long-term housing for those in the greatest housing need. In many instances this is being determined according to particular categories of need or by 'pointing' a number of individual needs criteria, such that those in the highest housing need category or with the greatest number of points find themselves at or near the front of the queue for the offer of social housing.

Even so, a number of criticisms have been levelled at the ways in which social landlords operate policies in respect of access to social housing. Firstly, there is concern that particular groups of applicants may be

excluded from social housing (for example, those in rent arrears, sex offenders etc.) and that this may exacerbate problems of social exclusion. Secondly, although some social landlords make every effort to offer real choices, some households may be offered very little choice and unpopular, low demand social housing may be allocated on a 'one offer only' basis, giving applicants little or no choice, perhaps reinforcing the view that they are disempowered and excluded. In addition, the emphasis placed on minimising vacancies may mean that in some areas transfers are discouraged, giving applicants already living in social housing, who may be occupying accommodation unsuitable for their needs, little prospect of rehousing. At the same time, the use of 'local connection' criteria may inhibit mobility from areas of high demand to localities where there are apparent surpluses of social rented housing.

Allocations and the Housing Green Paper

The Housing Green Paper publishing in April sets out the government's key principles for housing policy.

These are:

- Ensuring an adequate supply of decent housing to meet needs.
- Giving responsibility to individuals to provide for their own homes where they can, providing help for those who cannot.
- Offering everyone opportunity, choice and a stake in their home, whether rented or owned.
- Improving the quality and design of the housing stock, new housing and residential environments, and helping to achieve an urban renaissance and protecting the countryside.

- Delivering modern, efficient, secure, customer focused public services and empowering individuals to influence them.
- Reducing barriers to work, particularly in relation to benefit and rent policy.
- Supporting vulnerable people and tackling all forms of social exclusion, including bad housing, homelessness, poverty, crime and poor health.
- Promoting sustainable development that supports thriving, balanced communities and a high quality of life in urban and rural areas.

The proposals on allocation and lettings are some of the most radical in the Housing Green Paper (Chapter 9, Choice in social housing). There is a strong customer focus, with an emphasis on the supply of proper information to applicants to ensure housing choices are well informed, whilst long established approaches to allocations based on complex assessment of need are challenged. The government argue:

"We do not believe that social housing should only be allocated to the poorest and most vulnerable members of the community...priority...should generally...be given to people in the greatest housing need...(but) there may be occasions when it is necessary and desirable, for some wider community benefit, to allow exceptions to this."

(DETR/DSS, 2000, para 9.12)

On the point of access to social landlords' housing registers, the Housing Green Paper has argued that better information should be provided on the

availability of social housing, that application systems should be simple and accessible and that applicants should have the opportunity to express their views when seeking housing. When it comes to the point of allocation, and matching applicants with vacancies, it is argued that social landlords should move away from 'points based' systems to more broad brush 'bandings', perhaps developed to a greater level of sophistication in high demand areas, and with choice within each 'banding' based on waiting time. The concept of choice is at the heart of the proposed changes, with local authorities and RSLs being encouraged to pool vacancies to increase choice and to develop pilot customer choice based lettings systems along the lines of the 'Delft model'. In addition, the Housing Green Paper argues that local lettings policies should be developed in consultation with tenants to help create sustainable communities, and that applicants (including those accepted as homeless and in priority need) should be offered greater choice, with no penalty for refusing offers. How long individual applicants feel able to wait before accepting an offer of housing would determine their choice. These three issues of registration, priority for allocation and the widening of choice are considered in further detail later in this article.

So, what lessons can be learnt from how access to social housing is governed elsewhere in Europe and what prospects do the proposals set out in the Housing Green Paper offer for improving the mechanisms for allocating social housing in the UK and for achieving the desired outcomes of meeting

need, enhancing choice, and promoting social inclusion and sustainable communities?

In the opening section it was noted that the scale of social housing varies across Europe and, in addition, the conception and objectives of this form of housing provision may also vary, both between different countries and within countries from one social landlord to another. At the same time, the organisation and management of social housing may be undertaken by a variety of different organisations in different European countries; for example local public bodies, not-for-profit housing associations and corporations, housing co-operatives and private companies. These differences need to be taken into account when comparing allocation policies across different countries or when trying to apply features of one model, used in one housing market context, to a rather different one. It is important to consider the extent to which, and at what level, the policies of individual social landlords are directed. It has been noted that within the UK, for example, central government sets out broad directives, but that local authorities and RSLs have considerable freedom to draw up their own allocation policies. However, in other European countries (e.g. Germany and Luxembourg) there is much more significant direction at national and regional level, which give social landlords less room for manoeuvre in their allocation policies and procedures. Conversely, in the Netherlands the control of allocations has been decentralised down to the local level, with considerable latitude for the development of diverse and innovative schemes.

Accessing social housing

Entitlement to social housing (or to register for social housing) is often subject to specific criteria. In England and Wales, following the Housing Act 1996, local authorities are required to maintain a register of persons qualified for social housing allocation and (with a few exceptions) only those on the register may be allocated a local authority tenancy or nominated to an RSL. The 1996 Act (as subsequently amended) also required that local authorities should give “*reasonable preference*” to certain groups of applicants. RSLs too, usually maintain their own housing registers, although in some localities joint LA/RSL common housing registers have been established, and it is usual for local authorities to have nomination rights to 50 per cent or more of true RSL vacancies.

Past research has illustrated how most local authorities in England and Wales have policies which restrict access to housing registers (Bines *et al.*, 1994), either for new applicants or transfers or both. The most common restriction relates to local residential connection, but applicants living in owner-occupation or those under the age of majority may not be eligible for social housing through some landlords. In both the LA and RSL sectors, there is evidence of the use of a wide range of criteria to either exclude applicants from the housing register or to suspend their application from active consideration. Exclusion or suspension may be on the grounds of housing debt or anti-social behaviour or for a wide range of other reasons, including past criminal conviction.

The recent Housing Green Paper has argued that restrictions on access to and mobility within the social rented sector have limited the scope for existing tenants to move. It is proposed that LA and RSL lettings should be pooled to increase choice and encourage mobility between areas of relatively high and low demand. The Housing Green Paper also argues that social landlords should provide better information on the availability of social housing, and that application processes and allocation systems should be relatively simple and transparent. The UK government have also indicated that they will not accept blanket exclusions from social housing, although social landlords will be allowed to suspend applications or reduce the priority for housing.

In many respects there are few registration criteria in the UK which are laid down centrally, compared with other European Union states where, for example, income ceilings may be set. What is apparent in the UK is the predominantly localised nature of allocations, within a limited regulatory framework set by the state, with a growing concern for greater clarity and transparency in the ways in which local policies are implemented. Whilst there is evidence of changes in the ways in which individual LAs and RSLs are using exclusions and/or suspensions to tighten access to social housing, at the same time there are moves to open up social housing to those groups who in the past have not perhaps been seen as traditional clients of social landlords. This is primarily being done through advertising and marketing of social housing vacancies to attract a wider cross-section of

applicants. However, there is an inevitable conflict between opening up access to social housing and continuing to meet the housing needs of the most vulnerable, as indeed there is also a tension between addressing needs and restricting access through the use of exclusions.

The allocation process

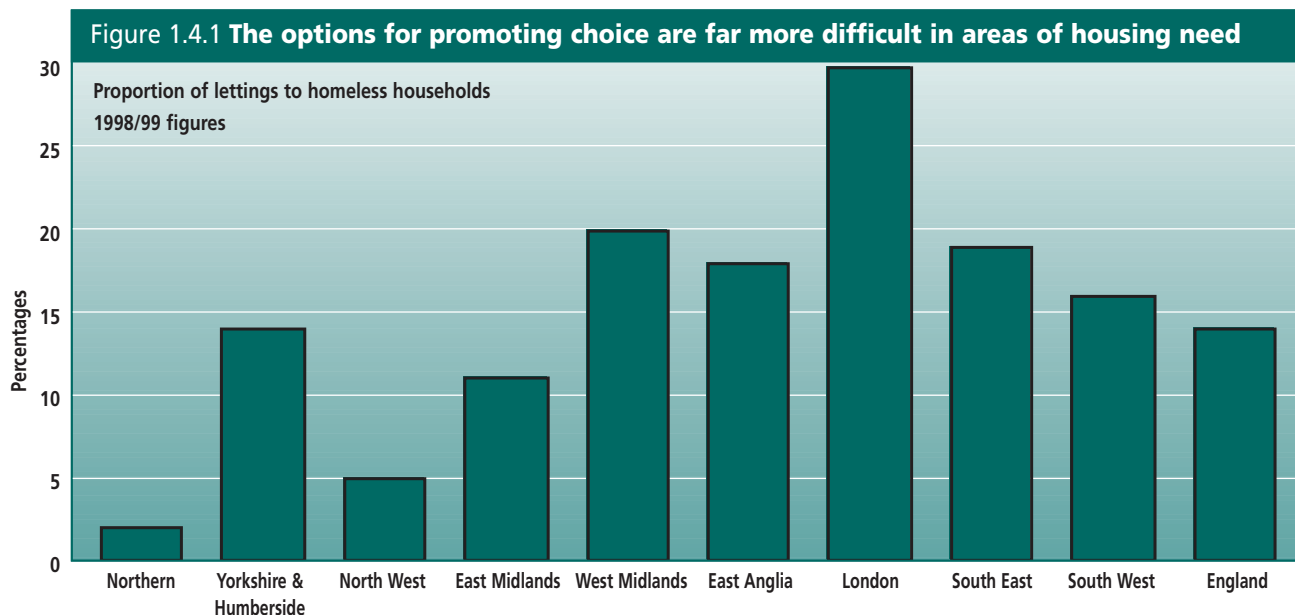
The other function within the allocation process which is of crucial importance in determining housing outcomes is the way in which priority is determined. In the UK, LAs and RSLs have typically used individually devised priority systems either based on elements of need (with points being awarded for various aspects of housing need), or on chronology (in date order) or by using quotas for particular groups.

Within the Housing Green Paper it is argued that social landlords should move away from ‘points-based’ allocation systems to ones based on more ‘broad brush banding’ (e.g. those in urgent need, those in non-urgent need and those with no particular need), and that within broad bands, priority should be based upon waiting time. It should, however, be recognised that in areas of high demand more sophisticated banding may be needed.

Arguments have also been put forward that social landlords should be encouraged to develop local lettings policies, perhaps in consultation with tenants, in the interests of helping to create more sustainable communities. The UK has already seen a move away from entirely needs based housing

allocations to schemes which offer a degree of flexibility, and which often exist on a localised basis, side-by-side with an individual LA/RSL’s traditional allocation policy (Griffiths *et al.*, 1996; National Housing Federation, 2000).

If one considers the situation in other European Union countries then it is not uncommon for social housing priority to be ordered on a points system or chronologically, although there have also been developments of exceptional policies at a regional or local level, in an attempt to address concerns over social imbalance. In parts of Belgium, for example, special allocation systems have been developed for a proportion of lettings, either to incorporate additional priorities or to create a preferred social mix. In France, a similar approach to seeking to achieve more balanced social housing communities is represented by the estate profiling used by the OPAC de la Seine-Maritime; a social housing agency with some 26,000 properties in Normandy in France (Cole *et al.*, 1998). Priority for housing is based not on housing need but on the characteristics of the applicant household, and how a specific household might help to strengthen or maintain social balance in a particular area. Whilst the French method of profiling is a more comprehensive approach to social engineering than is typical in the UK, it has been suggested that particular aspects of the approach could be adopted by social landlords in this country. In other European States (e.g. Denmark), there has been a much stronger involvement of tenants in the development of allocations policy, and again a strong emphasis on



Source: Table 91b

policies which are designed to ensure social mix rather than segregation and exclusion.

Strategic approaches to allocations

Whilst there have been moves in the direction of diversity in social housing allocations, and shifts towards more localised decision-making, there have also been trends towards the development of more strategic approaches to allocations in the UK. This has been evidenced by the development of local authority lettings plans, which take account of the flows of likely vacancies from all social landlords in an area, as well as approaches such as the development of common housing registers or joint (LA/RSL) lettings policies for particular areas.

One can identify other similar trends elsewhere in Europe. For example, in Bremen in Germany there has been a development of allocations management through joint bodies, whilst in the Netherlands agreements between local authorities and housing associations have been developed to ensure social housing is targeted towards particular groups and is allocated fairly (Ghekiere, 1996).

Allocations and choice

It has been argued in the Housing Green Paper that by encouraging choice for those applying for social housing this will not only increase empowerment of individuals (many of whom may feel they lack control over their housing), but may also lead to increased neighbourhood sustainability, as households are housed where they wish to live, and perhaps where they may be supported by a network

of friends and families. At the same time, by giving more choice to those seeking transfers, the idea is that existing social sector tenants' changing needs can be met, that better use can be made of the existing housing stock, and that if movement is encouraged towards areas where the demand for social housing is weaker (with shorter housing registers), then this may help to relieve the pressure on allocations in areas of high demand.

The Housing Green Paper makes specific reference to the choice-based 'Delft Model' of allocations which has been widely used in the Netherlands. Under this system applicants for social housing reply to classified advertisements, thus applying for a clearly defined dwelling, in terms of size, location and rent and for which eligibility criteria are set out in advance. Thus, applicants regularly search the advertisements in specialist newspapers and respond accordingly. The Delft Model, which has been extended to a growing number of Dutch localities, is based upon the principles of the private market and is choice led. However, in many areas these local choice based systems co-exist alongside more traditional needs based policies.

In advance of any legislation change, pilot programmes based upon the Delft approach are being considered by a number of UK social landlords. These include Harborough District Council in Leicestershire and Mansfield District Council in Nottingham (both in collaboration with RSL partners), as well as Charter Housing Association who operate in South Wales.

Figure 1.4.2 Promoting choice in Sweden



Promoting choice is not just about allocations. In Sweden, many housing companies go further than the most innovative UK landlords in offering a wide choice of kitchen and bathroom fittings, floor and wall coverings, and a range of improvement options

Whilst it may be appropriate for allocation schemes to reflect local circumstances, and to take account of local aspects of both supply and demand, it is clearly important that such schemes have clearly defined objectives against which outcomes can be monitored and evaluated. The development of a range of new approaches to allocations reflects the reality that in some localities social landlords are still having to ration access to housing, based upon

traditional needs based rules, whereas elsewhere the emphasis is on marketing vacancies to a wider cross-section of the population. Changes to allocation policies may take time to have any impact, in terms of helping to stabilise particular estates and neighbours, and widening choice will not only raise expectations (which in some areas may not be met), but could also result in some unpopular housing being even harder to let and those with relatively little choice being disadvantaged. Increasing choice is to be applauded, but for housing in relatively high demand the tensions between choice and housing need will remain. In areas of relatively low demand hard decisions may have to be made about the future of housing where people do not want to live. Allocation policies will need to be part of a much wider set of measures concerned with developing mixed tenure, the regeneration of communities and the provision of additional social housing – all of which will require substantial extra resources and investment.

Conclusions

This article has attempted to show how allocations policies in the UK have been changing in the recent past. The role of central government has been diminishing, although as the recent Housing Green Paper has shown, the government is still keen to establish a framework for allocations, but one which allows considerable local autonomy and flexibility.

Recent government reports (Rogers, 1999; Social Exclusion Unit, 1999) have put considerable emphasis on social housing allocations as a key to

addressing problems of social exclusion and promoting the sustainability of communities. Without suggesting that changing allocation policies – on its own – offers a solution to these problems, the Housing Green Paper does suggest that limiting restrictions on access, encouraging partnership working, developing localised allocation policies and extending choice to those seeking social housing all offer ways forward.

In a number of ways these moves are evident in developments in allocation policies in other European Union states and examples have been used to illustrate similar trends in other countries. However, great care needs to be exercised before seeking to import successful solutions developed in one housing market environment across national boundaries and in different national, legislative and socio-economic contexts. We also need to reflect upon whether solutions to problems in one locality may simply shift or exacerbate the problems elsewhere. There are fairly radical proposals in the Housing Green Paper to change the emphasis of social housing allocations, and we need to develop a better understanding not only of the way current systems work, but also what determines consumer choice. The role of pilots in developing new choice based schemes, and their evaluation, will be crucial.

The trends in allocations in the UK, and many of the proposals in the Housing Green Paper, are both a recognition of the problems faced by social landlords and their tenants (and potential tenants)

and an attempt to respond to them. The principles upon which they are based of local autonomy, partnership and encouraging customer choice, have been broadly welcomed, but we still need to build a better understanding of how allocation policies operate, how they interact with consumer choice and how addressing the issues of creating and maintaining viable social housing communities can be squared with meeting housing need.

Greater consumer choice in allocations is to be welcomed, but in rethinking allocations policies, and drawing on lessons from different approaches utilised elsewhere in Europe, care needs to be exercised. Pilot projects need to be effectively monitored and evaluated, not only to assess that the problems have not simply been moved around. The arguments in favour of changing allocation policies suggest that there are sections of the population who can be attracted in to social housing, who at present, may not see this sector as meeting their needs and aspirations. However, despite the growing body of research on aspects of changing demand there are still serious gaps in our understanding of people's perceptions of social rented housing, particularly at the local level. Yet without a clearer understanding of what motivates applicants for social housing, and much better monitoring of the outcomes of allocation policies, it is hard to believe that simply changing the way social landlords let their properties will, in itself, go very far towards meeting households' requirements or achieve more stable and successful communities.

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Section 2 Commentary

Chapter 1 Economic prospects and public expenditure

The current situation

For the next few years the UK economy is forecast to continue growing (in real terms) at over 2 per cent (Tables 9 & 11 in the Compendium), albeit a slightly lower rate than the average for European Union countries. That growth has, however, been uneven and there was no growth last year in manufacturing output, and the relatively high exchange rate between the pound and the euro has had a sharp impact on those manufacturing sectors particularly dependent on European markets and/or where domestic markets are particularly vulnerable to European competition. While the pound has appreciated strongly against the euro since its formal launch in January 1999, it should be noted that the pound had already risen strongly

against European currencies over the previous three years, and the fall in the value of the euro merely continued an already established trend.

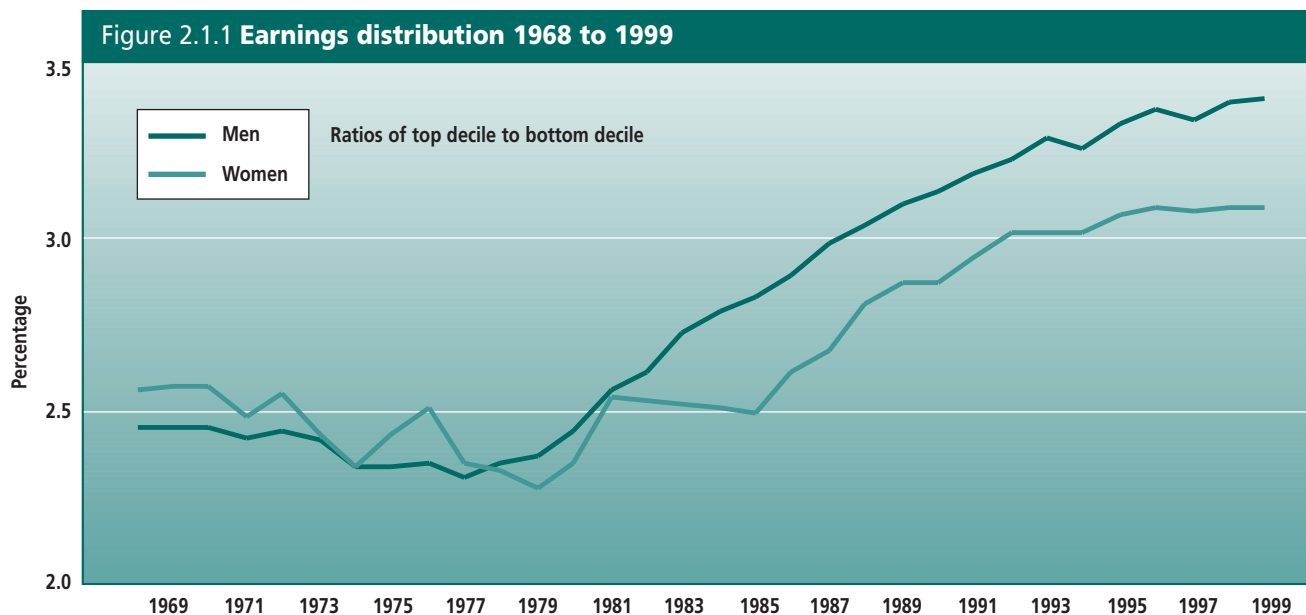
Economic growth in 1999 saw a 1.4 per cent increase in the numbers of people in employment in the UK (Table 4 in the Compendium), but employment in the manufacturing sector continued its long term decline, falling by 3.5 per cent (with the loss of almost 150,000 jobs). [For details of the latest bi-annual labour market forecasts from the Institute for Employment Research see last year's *Review*]. Nonetheless both claimant and ILO measures of unemployment also fell during the year (Table 4 in the Compendium), with the claimant unemployment rate at just 4 per

cent by the first quarter of 2000 – the lowest rate for two decades.

As ever, UK economic prospects are highly contingent on the prospects for the massive US economy, where a prolonged period of rapid economic growth (averaging 4.2 per cent per annum over the last three years) is forecast to slow in the coming years under the impact of interest rates rising to combat inflationary pressures. This is particularly significant for the UK economy, as (unlike the euro) the pound to dollar exchange rate has remained relatively stable over recent years.

One interesting feature of the recent US economic growth, much of which is associated with the IT sector, is that it has taken so long for inflationary pressures to emerge. One of the wider issues that this raises is whether the emergence of on-line retailing as a highly competitive market will have a continuing impact in restraining inflationary prices.

It is notable in this context that in the UK while inflation fell to 1.5 per cent in 1999, average earnings rose by 4.1 per cent (3.6 per cent for men and 5.5 per cent for women). While in some part the rise, particularly in average female earnings, was accounted for by the introduction of the minimum wage, this effect should not be overestimated. The minimum wage affects only those at the very bottom of the labour market, and despite its introduction there was no reduction in the gap between the highest (top decile) and lowest (bottom decile) earners (Figure 2.1.1).



Source: Hills (1998), New Earnings Survey 1999.

One of the questions that arises in the UK is whether this much larger than average gap between earning growth and inflation was a one off in 1999, or whether the impact of IT retailing competition will see that gap remaining at higher levels for some years to come. If a higher gap is sustained for a run of years this has important implications for a range of government policies, such as the policy to continue uprating pensions and benefits in line with inflation rather than earnings, and the proposal to restrict average registered social landlord (RSL) rent increases to just RPI from April 2002.

Boom and bust again?

In the meantime, the 11 per cent rise in UK house prices in 1999 (as in 1998) has led to renewed

concerns about the dangers of another housing market led cycle of boom and bust. However, while house prices have risen quite sharply over the last few years, they have only risen by 33 per cent over the last decade, while over the same period earnings rose by 64 per cent.

Moreover, with interest rates far lower than during the late 1980s, and with interest rates falling again last year, the average mortgage cost to income ratio for first-time buyers fell last year, and remains firmly in line with the average for the 'non-boom' years over the last two decades (Figure 2.1.2). In national terms, however, with no evident cyclical rise in households' willingness to devote more of their incomes to house purchase, the increases in interest

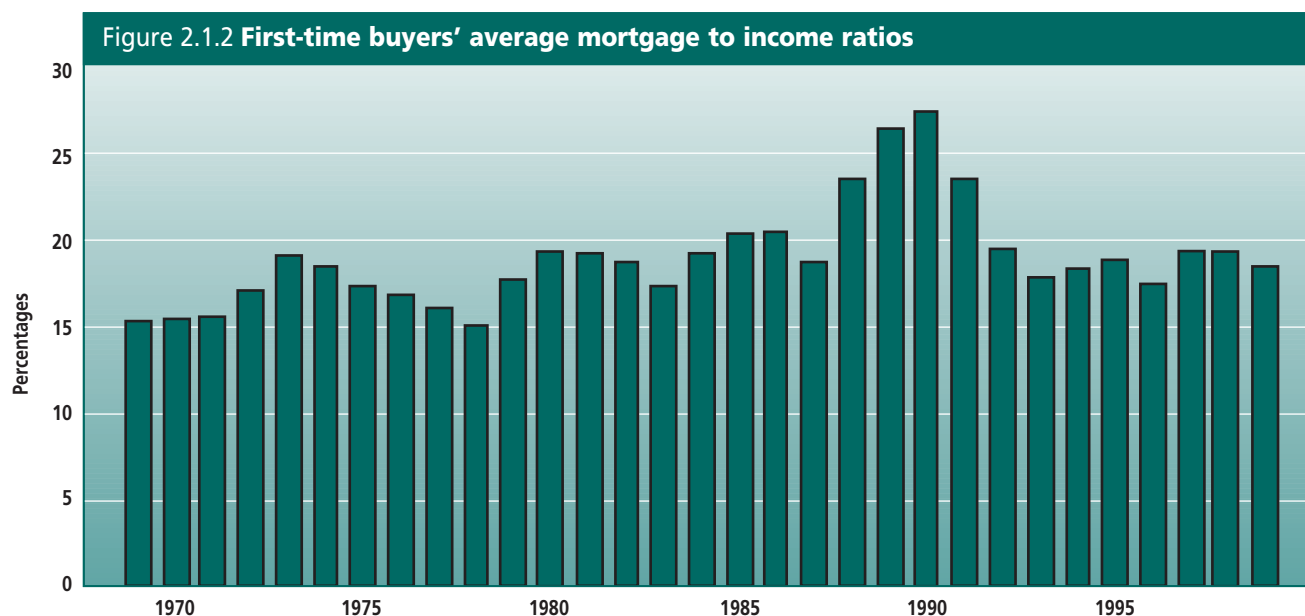
rates already imposed by the Bank of England, and the final abolition of MIRAS in April 2000, should see a return to far more stable house prices this year. Regional variations in house price and mortgage cost to income ratios in considered further in Commentary Chapter 3.

The increase in house prices over the last year was, however, sufficient to see some growth in home-owner 'equity withdrawal' from the negligible (or even negative) levels of the last seven years. Equity withdrawal in 1999 was an estimated £11.2 billion – compared to only some £50 million in 1998. While that compares to the peak level of equity withdrawal of £20 billion in 1988, the 1999 level is equivalent to just 2 per cent of national consumer spending for the year, while in 1988 it was equivalent to almost 7 per cent (Figure 2.1.3).

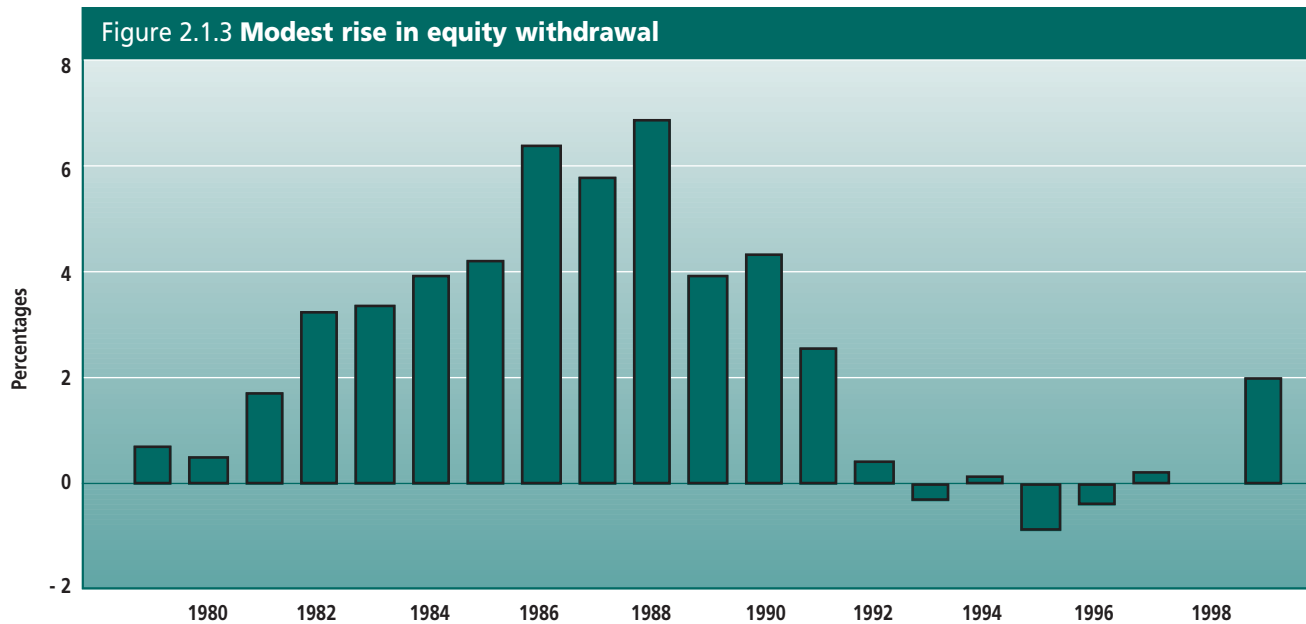
While equity withdrawal remains an important and volatile link between the housing market and the wider economy it is unlikely to rise to anything like the levels of the late 1980s without double digit inflation in house prices continuing over a run of years, and as already seen that is not a likely prospect.

Public spending

The continuing UK economic growth, together with government tax policies has seen a fairly substantial rise in overall tax revenues, and the public sector budget is now in surplus, not just in terms of current expenditure, but also after taking account of capital investment (Compendium Table 12).



Source: First-time buyer mortgage costs in the first year of mortgage. Compendium Table 40a.



Source: Equity withdrawal as a percentage of consumer spending. Compendium Table 7.

While there is inevitably a measure of uncertainty about future levels of economic growth and overall tax revenues, total public expenditure plans remain well within the various 'prudential rules' set out by the current Chancellor of the Exchequer. Moreover, the Budget estimates do not take account of the subsequent £20 billion plus receipts that will now be derived from the sale of the latest round of mobile phone licenses. While those receipts will, under accrual accounting conventions, be spread over the period of the licenses, and the Chancellor has indicated that they will be used to reduce government debt, the consequential savings in debt charges will further increase the scope for increased spending, or reduced taxation.

The government must make critical decisions on both public spending and taxation policies in the coming months. The latest Spending Review (SR II), was announced in July; the SR II decisions will also be linked to the government's thoughts on tax policies, with the 2001 Budget expected to be the last before the next General Election.

On the spending front, the government has already pledged to substantially increase health spending, which accounts for some 12 per cent of government spending (Compendium Table 16), to take it closer to the European average. It is also anticipated that pensions will be increased next year by rather more than would be required by the

convention linking pensions (and other benefits) to RPI.

There is, however, some prospect that housing could also see some marked gains from the SR II, not least as current plans already provide for a very substantial future increase in levels of public sector capital investment (Compendium Table 12c). Gross public sector capital investment is set to rise from £26 billion this year to £41 billion by 2004/05, and even after allowing for inflation that represents an increase of nearly 40 per cent in real terms. An update of the outcome of the Spending Review can be found in Section 2, Chapter 7.

There will also be inevitable pressures to reduce taxation, not least given that total public sector current receipts has risen from 38.7 per cent in 1997/98 to 39.7 per cent this year, and is currently planned to rise to 39.9 per cent next year before slowly easing back to 39.3 per cent by 2004/05. The figures for the slightly narrower definition of 'net taxes and social security contributions' are slightly lower, but show a similar rise since 1997/98, and are not currently planned to start reducing until 2002/03.

However, while the current state of the public finances clearly provide some scope for cuts in taxation, as well as real increases in public spending, any very substantial net cuts in taxation would inevitably lead the Bank of England to raise interest rates, in the process substantially offsetting the net gains to home-owner household budgets. Not least

in a pre-election year, the granting of independence to the Bank of England will make it easier for the Chancellor to continue with a prudent approach to public sector finances, and to resist pressures from political colleagues for a crude tax give away in the 2002 Budget. Which is not to say, of course, that some highly populist reductions in Income Tax rates (or increases in tax thresholds) will not feature in the Budget. However, if they do, it is likely that they will be more or less balanced by other less sensitive tax increases elsewhere.

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Section 2 Commentary

Chapter 2 Dwellings and households

Higher population projections

This chapter in last year's *Review* set out a summary of the latest 1996 based household projections for England, and showed how these represented a modest reduction compared to the earlier 1992 based projections; while still indicating a 19 per cent growth in households over the period from 1996 to 2021.

The household projections, and especially their regional and local components, are highly controversial in the context of the planning process as evidenced by the conflicts over the levels of household growth for which county councils are required to make provision. It is not just in the South East that councils have sought to reduce their requirement to make provision for new house building (while of course continuing to make far more accommodating planning provision for employment).

There are now initial signs that those planning conflicts are likely to sharpen following the next set of household projections. Those signs come from the latest population projections, which in turn provide the starting point for the household projections¹. The 1998 population projections suggest that population will grow more rapidly than suggested by the 1996 projections. The primary reasons for the increases are higher levels of net inward migration (62 per cent), higher levels of births (19 per cent) and lower levels of deaths (14 per cent). Moreover, only 18 per cent of the increase relates to young people aged under 16; the vast

majority of the growth relates to the older age groups that are more directly relevant to household numbers within the period.

A full comparison of the population figures from the 1996 and 1998 based projections is set out in Table 2.2.1. While the increase in the total population at 2021 is just 2.2 per cent, more significant for the planning process is the difference in the size of the

population increase between 2001 and 2021. Under the 1996 projections the increase over that period was estimated at just 2,626,000; while under the 1998 projections the increase is 40 per cent higher at 3,688,000.

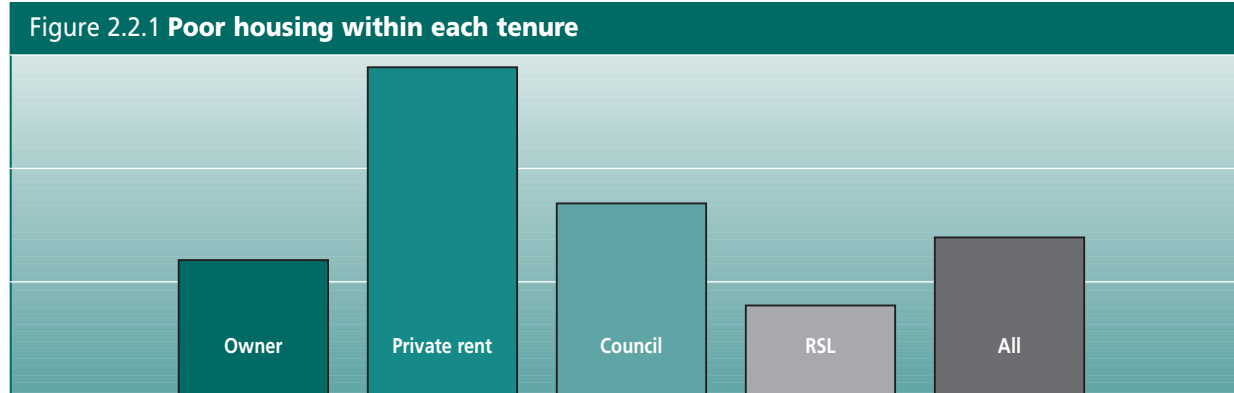
In other words, the UK population is now expected to grow at an average rate of 184,000 per annum over the coming twenty years, rather than just

Table 2.2.1 Comparing the 1996 and 1998 based population projections

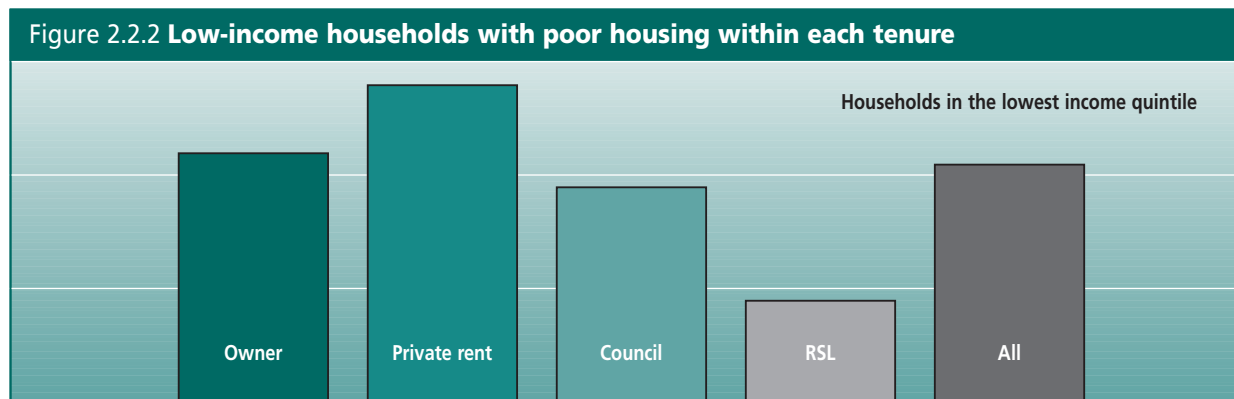
Thousands

Country and year	Population projections		Difference
	1996 based	1998 based	
Population at 2001			
England	49,871	50,187	316
Wales	2,947	2,950	3
Scotland	5,106	5,109	3
Northern Ireland	1,694	1,708	14
United Kingdom	59,618	59,954	335
Population at 2011			
England	51,161	51,922	761
Wales	2,989	2,993	3
Scotland	5,059	5,087	29
Northern Ireland	1,720	1,771	52
United Kingdom	60,929	61,773	844
Population at 2021			
England	52,484	53,715	1,232
Wales	3,043	3,047	5
Scotland	4,993	5,058	65
Northern Ireland	1,724	1,821	97
United Kingdom	62,244	63,642	1,398

Source: Population Trends, Spring 2000.



Source: English House Condition Survey 1996.



Source: English House Condition Survey 1996.



Source: English House Condition Survey 1996.

131,000 per annum. Such a sharp increase will inevitably have major implications for the next set of household projections, and will further intensify the current debates over regional and planning policy.

Incomes, tenure and stock condition

There have been no new national house condition surveys published over the last year, so the tables in the main Compendium relating to the condition of the housing stock in England, Scotland and Wales are unchanged. There has, however, been a new analysis undertaken of the 1996 English House Condition Survey, that provides some hitherto unpublished information about the condition of the housing stock².

The new analysis provides information about stock conditions analysed not just by tenure, but also by income groups. The contrasting insights that come from these different perspectives are illustrated by Figures 2.2.1, 2.2.2 and 2.2.3, which all focus on the proportions of households occupying dwellings in 'poor housing' (a composite measure of dwellings that are either statutorily unfit, in substantial disrepair, or require substantial modernisation).

Figure 2.2.1 presents the results in terms of the proportion of poor housing within each tenure. This shows that just 12 per cent of home-owners occupy poor housing, compared to 29 per cent of private tenants. Most tenure based analyses adopt this perspective. While still focusing on proportions within tenures, Figure 2.2.2 concentrates only on households within the lowest income quintile and

shows that 22 per cent of low-income home-owners occupy poor housing, compared to 28 per cent of all private tenants.

Figure 2.2.3 presents results in terms of the proportions of dwellings occupied by low-income households. This shows that 57 per cent of all low-income households in poor housing occupy owner-occupied dwellings, while just 17 per cent occupy private rented dwellings. Thus, while there may be a greater concentration of poor housing within the private rented sector, because the owner-occupied sector is so much larger, the numerical incidence of poor housing in the home-owner sector is far higher.

The high level of poor housing occupied by low-income households within the home-owner sector is thus unintentionally disguised by analyses that focus solely on proportions of households within each tenure, without any correction for the relative size of each tenure.

Similar results emerge from an analysis of other measures of the housing conditions of low-income households. Further notable findings are that the poor housing conditions of low-income home-owners are generally far more dispersed than in other tenures, and the substantial numbers of better off home-owners that continue to live in areas of poor physical living conditions. This highlights the limitations of area based renovation and regeneration policies as mechanisms for tackling the poor housing conditions of the majority of low-income home-owners.

More generally, these findings raise fundamental questions about the sharp fall in levels of renovation grant activity since the abolition of mandatory grants in England and Wales in 1996 (and in the same year the ending of a separate block of capital provision for renovation grants in Scotland) (Tables 26a & b in the Compendium).

The Housing Green Paper proposals to dismantle the national means tested scheme for home renovation grants, and devolve yet further discretion to authorities does not suggest any particular government determination to tackle the extensive problems of low-income home-owners living in poor housing conditions. Yet without a more radical approach, and a substantial increase in the resources made available to support renovation programmes, the combined trends of an ageing housing stock, and increasing numbers of poor (and elderly) home-owners, conditions must be expected to deteriorate.

While there is some scope for providing grants against a share of the home-owners equity, as suggested in the Housing Green Paper, this will not on its own provide sufficient resources to tackle the repair and modernisation requirements of private dwellings owned by low-income households. Many of the dwellings owned by low-income households have very low values, and for most pre-retirement households much of the value of the dwelling remains encumbered by mortgage commitments. There has also been quite substantial consumer resistance to equity release schemes, that

can inevitably offer only modest incomes to owners while they continue to occupy the dwelling as their home.

Moreover, if it is the government's objective to promote greater choice for households this begs the question as to why it does not propose to provide a form and level of support to low-income home-owners in poor housing conditions that is more equivalent to the levels of investment and benefit support it provides to low-income households in the rented sectors.

Survey developments

The welcome return of the General Household Survey (GHS) in 1998, after a one year break, has permitted the *Review* to update the several tables in this section of the Compendium that are drawn from that source (Tables 28, 29, 30 & 34). The GHS is important as it provides important basic housing related data for the whole of Great Britain, and provides a continuing complement to the more detailed but geographically narrower Survey of English Housing. Equally welcome is that the GHS is now to continue regularly, albeit after a one year break in 1999, during which the survey was redesigned.

Less welcome is that the report of the Family Expenditure Survey (FES) now provides much less information about the income distribution and housing costs of households by tenure. However, the data continues to be collected by the surveys, and has been obtained directly from ONS to update the

relevant tables in the *Review* (Tables 36 and 45 in the Compendium).

In the meantime, care should be taken in any use of the housing cost data published in the FES report tables, as these provide average housing cost information across all tenures, with no distinction between rents and mortgage interest payments, and even show related items such as capital repayments on mortgages as an average for *all* households.

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Section 2 Commentary

Chapter 3 Private housing

The point has already been made in Commentary Chapter 1 of the *Review* that the above inflation increases in house prices in 1998 and 1999 do not signal a repeat of the boom and bust housing market cycle at the end of the 1980s. While the market has clearly picked up, and overall transaction levels rose to nearly 1.5 million in 1999, this is well below the 2 million or so a year rate experienced in 1987 and 1988 (Compendium Table 37a), and it has been argued that they are now simply in line with long term trends¹.

A further key point to note is that despite the 11 per cent national increase in average house prices in 1999, as a result of rising incomes and lower interest rates, average mortgage cost to income ratios for

first-time buyers actually fell over the year (Compendium Table 40a). Not only did mortgage cost to income ratios fall nationally, they also fell in London and the South East, where price rises were far above the national average.

This can be seen in Figure 2.3.1, which is based on regional house price and income data from the DETR/CML 5 per cent sample survey (and its predecessor BSA survey for the years to 1991), and calculates average mortgage costs on the basis of a conventional 25 year annuity at the average prevailing mortgage interest rates during each year, on the same basis as for the national figures shown in Table 40a in the Compendium.

The Figure shows not only how regional mortgage cost to income ratios fell last year, but how they remain firmly in line with the prevailing levels over the years that both preceded and followed the late 1980s boom. Even in London the average mortgage costs of first-time buyers in 1999 represented just a fraction over 20 per cent of their incomes; compared to peak levels of over 30 per cent during the late 1980s housing market boom.

Figure 2.3.1 also shows that despite the more rapid rise in London house prices there was no significant increase in the gap between mortgage cost to income ratios in London, and those in the north of the country. That is not to argue that the recent house price rises in London have not had an impact on access to the market. The rise in prices has been matched by the incomes of house-buying households increasing well ahead of movements in average earnings.

Mortgage cost to income ratios for first-time buyers in all regions are shown in Table 2.3.1, and the ratios for new advances to former owners in all regions are shown in Table 2.3.2. These all confirm the point that mortgage cost to income ratios have not risen over the last two years, and remain a long way below the peak late 1980s levels.

Mortgage costs for existing buyers

All the above mortgage cost calculations relate to first-time buyers and new advances to former owners in their first year of purchase. In contrast, the regional figures in Compendium Table 45, derived from the

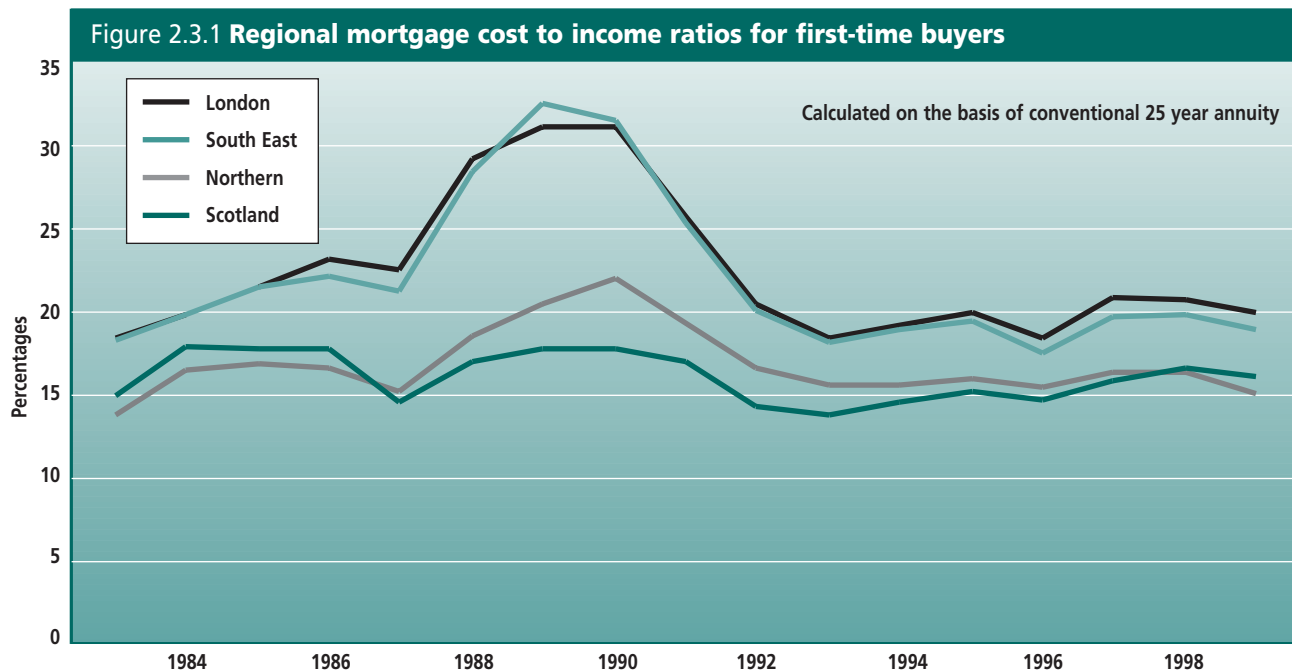


Table 2.3.1 Mortgage cost to income ratios for first-time buyers

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Northern	14.2	16.8	17.2	17.0	15.6	18.8	20.6	22.2	19.6	17.0	15.9	16.0	16.3	15.8	16.7	16.7	15.5
Yorkshire & Humberside	15.6	17.9	18.2	18.1	16.1	20.0	22.7	23.6	21.6	18.2	16.9	17.5	17.8	15.9	17.8	17.6	16.9
North West	16.5	17.8	18.5	18.2	16.3	19.3	22.9	23.6	21.9	19.0	18.0	17.6	18.1	16.9	18.4	17.8	16.6
West Midlands	16.6	18.4	19.0	18.8	16.9	21.2	24.6	25.8	23.6	19.0	17.6	18.1	18.2	16.4	18.6	18.4	17.1
East Midlands	16.3	18.0	19.0	18.6	17.1	21.8	25.7	27.1	22.7	18.6	17.0	17.6	17.8	16.2	17.6	17.8	16.5
East Anglia	17.5	19.2	20.6	20.7	19.5	26.1	29.8	28.9	23.3	18.9	17.9	18.2	17.8	16.7	18.1	18.8	17.2
Greater London	18.7	20.1	21.7	23.3	22.7	29.1	31.0	30.9	25.8	20.7	18.7	19.4	20.2	18.7	21.0	20.9	20.2
South East	18.6	20.0	21.6	22.3	21.4	28.3	32.3	31.3	25.4	20.3	18.4	19.2	19.7	17.8	19.9	20.0	19.2
South West	18.4	20.2	21.2	21.4	19.9	26.2	31.3	30.0	24.1	19.4	18.3	18.7	19.4	17.6	19.6	19.9	18.6
Wales	16.5	17.7	19.1	18.7	16.7	21.0	23.6	23.7	20.3	17.5	16.8	17.2	17.5	16.2	17.6	18.1	16.6
Scotland	15.3	18.2	18.1	18.1	15.0	17.3	18.1	18.0	17.3	14.7	14.2	15.0	15.6	15.1	16.2	16.9	16.5
Northern Ireland	14.9	16.2	17.4	16.9	15.8	19.5	18.8	18.9	16.0	13.8	13.2	14.6	15.1	13.9	16.4	17.4	16.9
United Kingdom	17.0	18.8	19.9	20.1	18.4	23.0	25.3	25.5	21.8	18.1	16.7	17.4	18.5	17.1	18.9	19.0	18.1

Source & Notes: As for table 41, except that data up to 1991 only is from the BSA 5 per cent sample survey, with data for later years from the wider CML survey.

Table 2.3.2 Mortgage cost to income ratios for former owner-occupiers

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Northern	15.3	15.8	17.1	17.3	15.5	19.1	22.0	22.0	19.9	17.2	15.9	15.9	15.5	14.9	16.3	15.5	15.2
Yorkshire & Humberside	15.3	17.0	17.6	17.6	16.0	20.2	24.2	22.7	21.0	17.9	16.6	17.0	16.4	15.3	16.5	16.7	15.9
North West	15.8	18.1	17.6	17.6	16.0	20.2	23.8	24.0	21.6	18.5	16.7	17.3	16.5	15.0	16.9	16.5	16.2
West Midlands	16.2	18.5	18.5	18.3	16.8	22.6	25.8	25.3	22.0	18.2	17.0	17.4	16.8	15.1	17.6	17.3	16.8
East Midlands	15.7	17.4	18.4	17.8	16.9	22.2	26.0	24.6	21.7	18.1	16.1	17.2	15.8	14.8	16.9	16.9	15.5
East Anglia	16.7	17.5	18.8	19.1	18.5	24.9	28.1	24.9	21.7	17.8	15.8	16.3	15.9	15.1	16.5	16.9	16.3
Greater London	17.0	19.0	19.9	21.6	21.2	27.2	31.3	27.4	23.6	18.9	17.1	17.9	17.1	16.2	18.5	18.8	18.1
South East	17.1	18.7	20.0	20.7	20.1	26.7	30.4	28.7	23.9	19.4	17.8	18.4	18.2	16.0	18.5	18.3	17.8
South West	17.1	19.7	19.2	19.8	18.2	25.5	29.1	25.6	22.1	18.5	16.9	17.6	16.8	15.5	17.4	17.8	17.3
Wales	15.6	17.7	18.7	18.1	16.4	21.3	24.1	23.7	20.6	17.8	16.2	16.6	16.8	14.5	16.6	16.2	15.4
Scotland	16.0	18.0	18.6	18.1	16.5	19.4	22.6	23.0	19.6	16.0	16.6	16.3	16.4	15.1	16.4	16.5	15.4
Northern Ireland	15.4	17.3	17.7	17.4	15.0	19.1	20.1	20.1	16.3	14.1	14.5	15.6	15.0	14.3	15.6	15.3	15.2
United Kingdom	16.4	18.0	18.8	19.0	17.6	23.5	26.7	25.5	22.1	18.3	16.9	17.5	17.0	15.5	17.6	17.6	16.9

Source & Notes: As for table 41, except that data up to 1991 only is from the BSA 5 per cent sample survey, with data for later years from the wider CML survey.

Family Expenditure Survey, reflect the mortgage costs of all home-buyers with an outstanding mortgage. These show national average mortgage payments in 1998 at just over £70 per week; equivalent to just 14 per cent of the average disposable income of home-buying households.

However, while those FES figures include both mortgage interest and capital repayments, they do not include either home-buyers expenditure on repair costs, or payments on endowment policies taken out to redeem mortgage interest only mortgage policies at the end of their term. For all home-owners the weekly average repair and related expenditures are just over £10 per week.

For those home-buyers with endowment policies, average expenditure is rather higher, ranging from an average of £13.50 in Northern Ireland to £24.60 in Greater London. However, as substantially less than a half of all home-buyers have endowment policies the impact on average house purchase costs for all home-buyers is considerably lower.

Regional expenditures on mortgage related endowments in recent years are shown in Table 2.3.3, expressed as averages just for those home-buyers with endowments. It should also be noted that, following the continuing concerns about many endowment policies failing to realise a sufficient capital sum to fully redeem mortgages at the end of their term, endowment policies represent a declining share of new mortgage business. For next year's *Review* it is hoped that a more comprehensive

Table 2.3.3 Mortgage endowment policies

Regions	Average annual payment			Households with endowments		
	1996/97	1997/98	1998/99	1996/97	1997/98	1998/99
	£ pa	£ pa	£ pa	%	%	%
North	807	797	874	24.9	23.2	27.2
Yorkshire & Humberside	715	773	803	32.6	26.3	30.6
North West	732	822	800	28.0	30.7	28.2
East Midlands	789	799	872	26.3	30.6	25.2
West Midlands	802	956	882	26.1	26.8	27.1
East Anglia	769	805	920	30.1	25.9	29.3
Greater London	1,078	1,265	1,281	26.4	21.0	21.5
Rest of South East	1,066	1,158	1,185	30.2	28.9	29.8
South West	788	1,046	973	30.3	30.3	25.9
Wales	746	781	867	26.3	22.4	30.2
Scotland	783	882	739	27.9	30.5	26.6
Northern Ireland	591	614	703	30.6	30.9	32.7

Source: Figures provided by the Association of British Insurers; derived from the Family Expenditure Survey.

Note: The percentage of households with endowment mortgages is shown as a proportion of all households; not just as a percentage of home-buying households.

analysis of mortgage endowment costs can be made, and included with other mortgage costs in Compendium Table 45.

Affordable and sustainable?

Nonetheless, it is clear that even if repair and endowment policy costs are included, overall average mortgage costs for home-buying households remain well below 20 per cent of disposable incomes, and are thus well below the 25 per cent ratio that is still used by the National Housing Federation as an indicator of ‘affordability’ rents. However, as indicated in the earlier ‘Half the poor’ article (Contemporary issues 1), the mortgage cost to

income ratios for low-income home-buyers are very much higher, and an analysis of 1996/97 data shows that for home-buyers in the lowest income quintile of all households, average mortgage and repair costs (excluding endowment payments) represent 42 per cent of average disposable incomes.

These high ratios reflect in part the absence of any in work means tested benefit to assist home-owners with low incomes. While in 1999 mortgage arrears and repossession levels (Compendium Table 46) and court actions (Compendium Table 47) all eased back, this was in the benign context

of economic growth, falling unemployment and falling interest rates. The fundamental underlying lack of sustainability of low-income home-ownership under current market, legal and welfare benefit policies is discussed in detail in the ‘Half the poor’ article.

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Section 2 Commentary

Chapter 4 Housing expenditure plans

Hitting local targets

Over the last few years some ground breaking work has been undertaken by Glen Bramley and his colleagues, examining the localised impact of public expenditure. This has examined public spending not by local authority area, but far more finely at the level of individual wards within authority areas. This is a complex exercise, and involves estimation of some expenditure, as well as painstaking collation of disaggregated administrative data, and was initially undertaken within Brent, Liverpool and Nottingham¹.

One of the primary uses of this analysis is to inform an assessment of how far different public spending programmes are targeted on areas where there are concentrations of deprivation. Some of the main results from the analysis are shown in Table 2.4.1. This shows that both housing investment and housing benefit expenditure are targeted on areas with concentrations of deprivation to a much greater extent than many other services.

While to some degree this result is a consequence of concentrations of deprivation on council estates, that is not a full explanation. The official index of deprivation used in the study includes housing characteristics such as over-crowding, lack of amenities, households in non-permanent housing and children living in flats or non self contained or permanent housing; but it does not directly include housing tenure.

While this exercise does not address the issues of how well resources are targeted on more spatially diffuse

social deprivation, and there are divergent views on the utility of the official measures of area deprivation², the strong concentration of housing expenditures in areas of social deprivation nonetheless highlights the importance of housing programmes within the broader context of a wider policy agenda seeking to tackle social exclusion.

Capital fortunes

There are only relatively minor changes in the plans for social housing investment in the current year – they were primarily determined as an outcome of the 1998 Comprehensive Spending Review. Over the last three years the ‘capital receipts initiative’ has substantially softened the planned cuts in

Table 2.4.1 Expenditure by head in the most and least deprived wards in three cities

Service	National mean	Three city mean	Ratio most to least deprived wards
	£ per annum	£ per annum	Ratio
Single Reperation Budget	6	20	11.47
Housing Corporation Capital Investment	24	86	5.56
LA housing capital	31	61	4.58
LA Net housing subsidy	16	81	4.34
Income Support: disabled/long term sick	28	69	3.69
Housing benefit	153	347	3.15
Income Support: unemployed	75	179	2.83
Council tax benefit	35	65	2.73
Social services: children	74	66	2.73
Police	143	107	2.2
Social services: elderly	42	94	1.7
Primary schools	137	162	1.17
Secondary & GM schools	135	175	0.98
Parks and open spaces	12	18	0.93

Source: Getting the smaller picture, Bramley and Evans.

investment set in train by the previous government; but nonetheless overall public sector housing investment in Britain has continued to fall (Table 52 in the Compendium).

This year (2000/01) has seen the first substantial rise in housing investment in England for many years (Figure 2.4.1); primarily through the large increase in council borrowing consents agreed under the previous Comprehensive Spending Review. In Scotland, the planned growth is primarily through the New Housing Partnerships programme, which is heavily contingent on progress with proposals for stock transfers (Table 76 in the Compendium). In Wales

there is no similar growth this year (Compendium Table 70), as a result of the Welsh Executive decision to transfer the 1998 Comprehensive Spending Review provision for increased capital investment in Wales to supplement revenue budgets. Housing spending in Wales was a net loser in that decision.

The future prospects for housing investment depend critically on the outcome of the Spending Review 2000, and this is reported on in Chapter 7 in Section 2 of this *Review*.

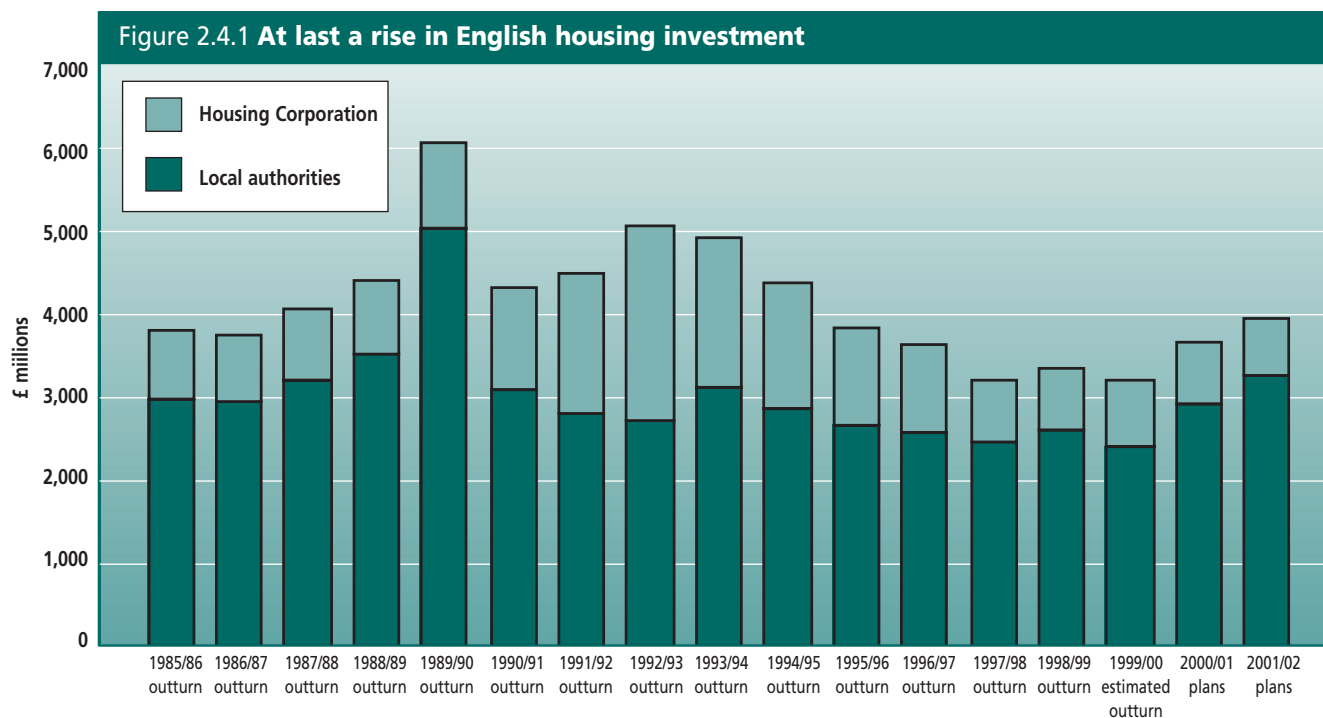
It may also be noted that as a consequence of devolution, details of the housing expenditure plans

in Scotland, Wales and Northern Ireland are no longer available in the annual departmental plans as in previous years. While the Scottish Executive has published its own annual expenditure report, there is, as yet, no similar document for Wales or Northern Ireland.

Twilight for 'daytime robbery'?

Council tenants' groups in England and Wales have campaigned for many years, under the 'daylight robbery' banner, against the links between housing and housing benefit subsidy introduced by the 1989 Act financial regime. The gross transfers of council rent 'surpluses' to pay towards the costs of housing benefit have risen over the last decade (Compendium Table 102), and are expected to reach almost £1.5 billion in England this year; exceeding by just over £1 billion the basic housing subsidy that continues to be paid to a small minority of English councils (mainly in London).

This arrangement is due to end, however, with the advent of a new financial regime for council housing in England, based on 'resource accounting' conventions, and due to be introduced in England in April 2001. Central to the new regime will be the introduction of a 'major repairs' allowance in the subsidy formula, to supplement the current allowances for management and maintenance. This is expected to be of the order of £550 per annum per dwelling, and will thus add some £1.6 billion to the subsidy paid out to councils in England.



Source: Table 58.

Notes: Local authority investment includes HATS.

While the introduction of the major repairs allowance will see a return to 'net housing subsidy' for council tenants next year, the subsidy framework will still redistribute resources between councils. The new allowance will also mean that most councils move back into positive basic housing subsidy, but a minority of councils will still, for the time being, continue to contribute rental income towards the costs of housing benefit. While it would be entirely logical from the perspective of resource accounting to entirely sever the remaining link between housing and housing benefit subsidy, this will require primary legislation.

If this reform is welcome in itself, it remains to be seen whether it results in a net addition to the overall resources available for spending on major repairs and improvements of the council stock. It is possible, for example, that the local rent surpluses will be utilised to contribute towards major repairs allowances, and that the current levels of planned DETR capital provision will be reduced in order to compensate the DSS for the additional £1.5 billion a year that it will have to pay towards the future costs of housing benefit.

Whether or not the advent of resource accounting will bring net financial gains for council tenants, rather than just creating a less offensive method of allocating and redistributing financial resources, will only become clear with the Spending Review and the plans for the next three years. This is considered in Chapter 7 later in this section of the *Review*.

These reforms will only apply to England in the immediate future. The 1989 Act arrangements do not in any event apply in Scotland, and in both Scotland and Wales the development of proposals for council stock transfer have effectively been given a higher priority than developing firm proposals for resource accounting.

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Section 2 Commentary

Chapter 5 Housing needs and homelessness

Last year saw a sharp rise in the numbers of homeless households in temporary accommodation (Figure 2.5.1), primarily in London where the numbers rose from 26,910 at the end of 1998 to 36,340 at the end of 1999. Nationally the numbers of homelessness applicants rose only slightly during the year, with a 6 per cent increase in London (to 27,840) largely offset by slight net reductions elsewhere in England (Compendium Table 88).

The key to much of the rise in households in temporary accommodation was the fall in the numbers of lettings available for new tenants in London, down from 40,400 in 1996/97, to 37,300 in

1997/98 and just 32,000 in 1998/99 (Compendium Table 91). This sharp fall in London relet rates is in turn predictable in the context of the relatively sharp rises in house prices in London over the last few years, which has reduced the opportunities for council tenants to move out into home-ownership.

At the same time, despite the continuing growth of the sector, there was only a marginal increase in national RSL lettings to new tenants in the year (Compendium Table 93). Within London the numbers of RSL lettings made available to priority need homeless households rose marginally from 15,612 in 1997/98 to 16,175 in 1998/99, and nationally just one in eight RSL lettings were made

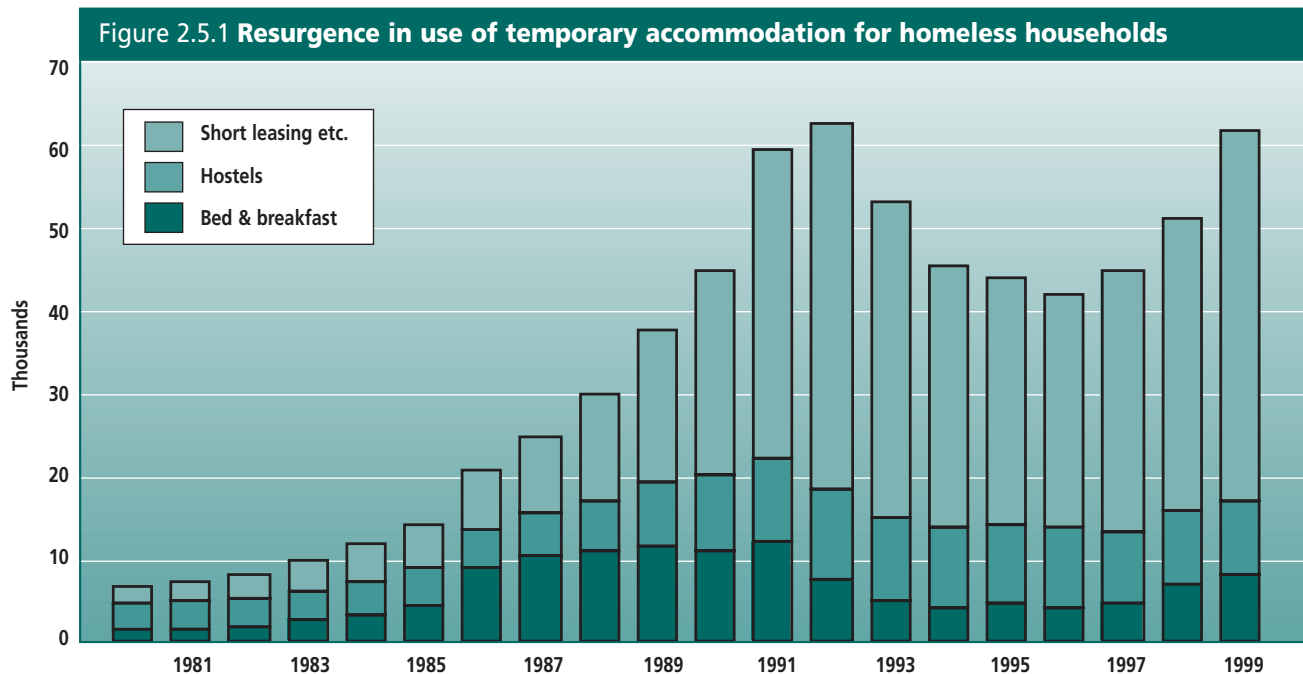
to priority need homeless households, compared to one in four in 1992/93.

With the Housing Corporation programme at such low levels, and with the output next year of new rented dwellings set to fall to just 18,600 (Compendium Table 94b) – down from just over 42,000 in 1995/96 – councils’ abilities to respond to housing needs are extremely vulnerable to cyclical fluctuations in supply. That the latest rises in house prices in London are actually part of a relatively mild cyclical upturn – and nothing like that seen in the late 1980s (see Commentary Chapter 2) only serves to emphasise how much further pressures would mount if we were to see a more pronounced housing market upturn.

Variable demand

While government has been focused on issues of social exclusion, and the issue of low demand in some northern and other parts of the country¹, little has been done to respond to the continuing levels of housing demand in London and other areas. The government has reversed the inherited cut backs in council investment, but has only marginally increased the Housing Corporation budget (Compendium Table 59), leaving only the hope that some part of the additional resources made available to councils will be used to fund new RSL developments, rather than just on council stock renovation.

In part, this lack of responsiveness relates to a lack of confidence about the long-term demand for social



Source: Table 85 in the Compendium

rented housing, partly as a response to the emergence of areas of low demand, and partly in response to the evidence of younger households increasingly seeing social rented housing as a 'shelter from the storm' rather than as a long term home².

That unresponsiveness has been underpinned by the econometric model of housing demand *still* being used by DETR³, that assumes that households needing assistance only for a temporary period should be deemed to be housed in the private rented sector, and that social rented housing only needs to be provided for the 'long-term poor'. This is the sort of nonsensical application of economic theorising that gives economics a bad name. It is also at odds with the objective of promoting social inclusion, and avoiding concentrations of wholly poor households in all too easily stigmatised estates of social housing.

Moreover, it is impossible to operate an allocations policy on the 'probability' that households of given characteristics are more or less likely to be short or long-term poor. In the short term some form of subsidised accommodation has to be provided for them unless or until they cease to be poor and decide to move on to unsubsidised accommodation.

While a case can be made for supporting some low-income households through subsidy in the private rather than the social rented sectors, they cannot be sorted into those sectors by their long-term economic propensities. This in itself implies a requirement for a higher level of social renting than suggested by the DETR econometric model.

A more straightforward concern is the continuing decline in the supply of private rented lettings to low-income households in receipt of housing benefit, largely prompted by the new limits on rents eligible for benefit at the beginning of 1996. Since then there has been a 300,000 plus fall in the numbers of private lettings to tenants supported by housing benefit, that has wiped out the increases in provision in the preceding years as a result of deregulation.

Unless the government is prepared to provide additional funding, either through the housing benefit scheme or in other ways, there will be no increase in the supply of private lettings to low-income households. There is nothing in the Housing Green Paper proposals to suggest that this is the case, other than a slight easing in the definition of single room rents for single people aged under 25 (see the earlier 'Contrasting ambitions' article – Contemporary issues 2 – for a further discussion of the Green Paper proposals for housing benefit reform).

In that context, the government needs to respond to the widespread evidence of unmet demand for housing by low-income households⁴, and substantially increase new build programmes in the coming years. While the Housing Green Paper proposals for additional assistance to provide housing for key workers, mainly through forms of low cost home-ownership can make an important contribution, they are aimed at a very particular segment of the housing needs not being currently

met through the markets, and should form only a part of a wider government response.

This is not to suggest that the questions raised by changing household aspirations and patterns of housing mobility can be ignored. Rather, both demographic and economic approaches to forecasting levels of future housing requirements need to take more account of the increasing evidence becoming available about patterns of household mobility.

There are also a range of possible policy responses to the evidence of unmet housing needs; not just an increase in the provision of social rented housing. The proposals for an improved safety net for low-income home-owners set out earlier in the 'Half the poor' article (Contemporary issues 1), for example would both make home-ownership more sustainable and at the same time substantially reduce one of sources of demand for social rented housing.

Relationship breakdown and housing need

A key feature of current demographic trends is the growth of single person households. While in part this reflects the growth in the numbers of elderly households, it also reflects the upward trend in relationship breakdown and divorce rates. A new comprehensive analysis of the impact of divorce – and subsequent remarriages – and their implications for housing demand in all tenures has recently been completed by Alan Holmans⁵.

Over one in five of all the couples that married between 1970 and 1979 were divorced fifteen years later. For couples that had married during the equivalent period twenty years earlier less than one in ten were divorced after fifteen years. Largely as a consequence of this rising trend in divorce rates, by the year 2021 it is projected that previously married single people in England and Wales will comprise a fifth of all households; more than twice the proportion in 1996.

Divorces increase the numbers of 'successor' households, even after allowing for remarriages, and during the 1990s Holmans' estimates that this process resulted in a net addition of some 45,000 households a year in England and Wales. The

parallel process of the dissolution of cohabitation arrangements added further to the net increase in households, but it is more difficult to produce robust estimates of their numerical impact.

In the 1990s, for example, just over 100,000 home-owner couples a year divorced. Of the resulting 200,000(+) divorcees, some 80,000 initially stayed on in the former matrimonial home, about 65,000 moved to other owner-occupied dwellings, 25,000 moved into rented accommodation, and some 35,000 went to live in someone else's household, in many instances men going to live with their parents. The process of divorce thus led to a 45 per cent increase in the number of owner-occupied households, while at

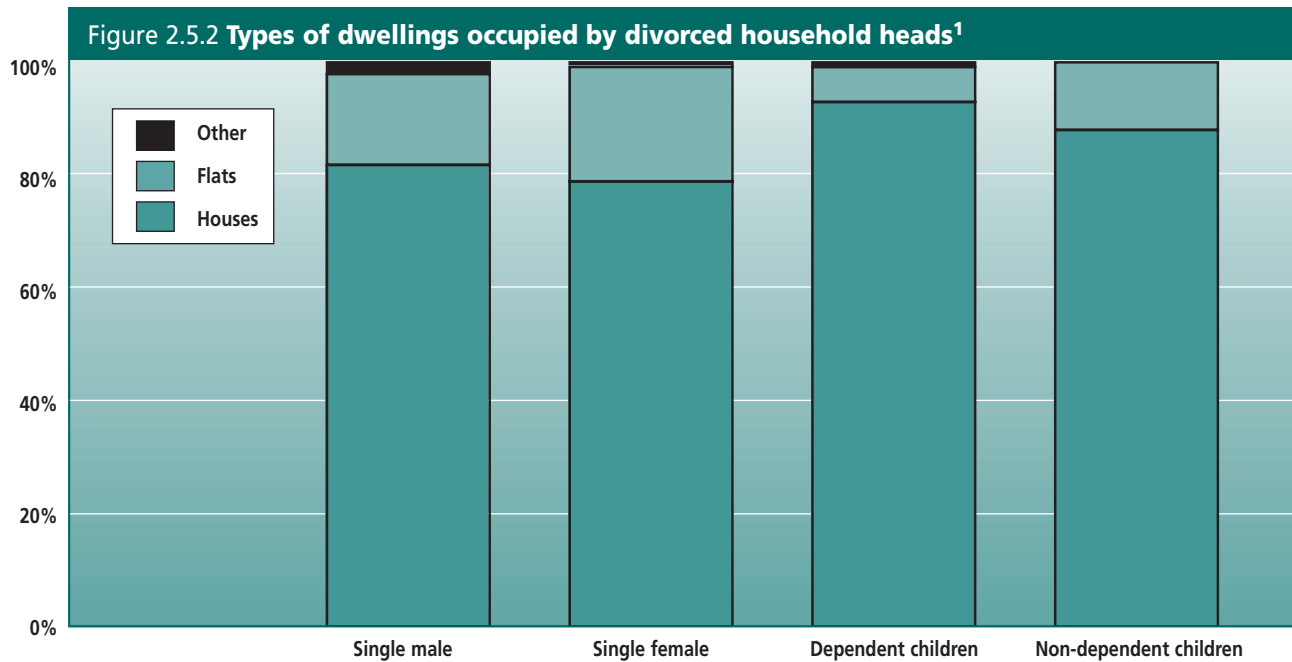
the same time it resulted in some 30 per cent of former members of home-owner married couples moving out, either into rented housing or someone else's household. This 'gross' effect is reduced by subsequent remarriages, with some 20,000 remarriages a year involving two previously divorced owner-occupiers.

If divorce and separation are central factors underlying the growth in the numbers of single person households, then housing policy also needs to recognise that, as Holmans shows, following divorce four out of five single men and women occupy houses rather than flats, while even more of the resulting lone parents occupy houses (Figure 2.5.2). Plans for inner city flats for single people as part of the strategies for urban renaissance have their place; but they will not respond to the aspirations or market choices for the majority of post-divorce single people, and some greater realism about the household choices of single people is needed in planning policies and debates about urban renaissance.

For a discussion of the latest population projections, and their implications for housing needs and the planning process, see Commentary Chapter 2.

Green, brown or Nimby?

Despite the government setting targets for house building in the South East well below the levels of identified requirements⁶, these have been rejected by the county councils. There has been a similar resistance to accepting house building targets



Note: 1. That are not cohabiting

elsewhere in the south of England, as for example in Somerset.

Part of the government's response to this populist (part environmentalist, part Nimby) opposition to house building has been to promote increased use of 'brown field' sites as part of the urban renaissance agenda. One of the deafening omissions in the Housing Green Paper was the absence of proposals to equalise VAT rates for green and brown field sites. Hopefully, progress on this front will come with the anticipated urban White Paper, as this is one of the easier but critical measures, if increased use is to be made of brown field sites.

Progress is also needed to deal with the continuing regional and urban imbalances in economic development, that were considered in some detail in last year's edition of the *Review*. This is not just because the majority of brown field sites are located in the north, but more fundamentally because without an economic renaissance in the northern urban areas that have experienced decades of structural economic decline, the prospects for successful long-term community regeneration in those areas will not improve.

There are, however, few signs of government adopting a more directive approach to regional economic policy, despite the flurry of activity flowing from the establishment of Regional Development Agencies. Nor is there much sign that the southern county councils so stoutly resisting the provision of land for house building are being

equally robust in resisting the provision of land for economic developments.

This disjointed local approach to house building and economic development will predictably add to the pressures on house prices in southern areas, and consequently to the local need for social and other low cost housing schemes for both low and moderate income households. In the long run this should also increase market pressures for employment location, but not before there has been a great deal of avoidable social and economic grief.

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Section 2 Commentary

Chapter 6 Help with housing costs

Post MIRAS home-owner taxes

So this year, after 197 years, we finally see the end of mortgage interest tax relief. Well, almost.

There will be some final minor 'end of term' costs incurred this year in respect of interest tax relief entitlement for previous years.

Meanwhile, home-owners continue to benefit from an exemption from capital gains tax. The estimated value of that relief was £1.4 billion in 1998/99. However, that estimate makes no provision for 'roll over relief', where the proceeds of a house sale are wholly applied towards the purchase of another dwelling. Such 'rollover' relief is typically applied in countries like Sweden that do apply capital gains tax to home-owners¹. Moreover, the Inland Revenue also acknowledges that, *"The costs quoted do not represent the yield from the abolition of the relief: consequential effects on the housing market would substantially reduce the yield"*².

Home-owners' residences are not, however, exempt from inheritance tax, although there is a relief covering the transfer of residences to surviving spouses. In the most recent year for which data is available (1996/97) residential dwellings represented some quarter of the total assets in the estates with net values above the threshold level subject to inheritance tax. Total receipts from inheritance (and capital transfer) tax in 1999/00 are estimated at £2 billion.

Inheritance tax also clearly bears more strongly on higher income home-owners, and in particular those

in the south of England, given the relatively high threshold for estate values before they become liable (£231,000 for 1999/2000). For higher income home-owners inheritance tax thus serves to capture an element of the wealth held in residential dwellings that might otherwise be captured by capital gains tax.

Stamp duty

If home-owners are exempt from capital gains tax they nonetheless make a substantial contribution to the Exchequer by way of stamp duty. Stamp duty is a transaction tax, levied every time a dwelling is bought or sold, and does not have any underlying economic rationale. It is simply a well established and easily collected form of taxation.

In practice, however, it raises much the same level of taxation from home-owners as would be levied if the current exemption from capital gains tax was abolished. In 1998/99, for example, stamp duty on the sale of residential dwellings in the UK raised £1.1 billion. Subsequently the rate of duty has been increased a number of times for dwellings.

While dwellings priced below £60,000 are exempt, for dwellings over that value the duty is levied on the whole value of the dwelling. The basic rate of duty is just 1 per cent, and this continues to apply for dwellings valued below £250,000. From April 2000 the rate of duty for higher value dwellings has been increased to 3 per cent for dwellings valued between £250-£500,000, and to 4 per cent for

Table 2.6.1 Stamp duty on residential dwellings

£ million

Region	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
North	105	125	130	105	40	65	70	75	85	100	115
Midlands	115	100	100	80	35	40	50	50	75	85	100
London	250	165	145	120	60	110	120	115	165	235	320
South	530	335	325	260	110	205	230	185	285	370	460
Wales	25	25	20	15	10	10	10	10	15	20	20
Scotland & Northern Ireland	40	50	55	50	25	35	40	40	50	75	95
United Kingdom	1,065	820	770	630	280	465	520	465	675	875	1,110

Source: Inland Revenue Statistics 1999, and earlier volumes.

Note: The 'South' includes the South East, South West and East Anglia regions; the 'Midlands' includes the West and East Midlands, and the 'North' comprises all the English regions north of the Midlands.

dwellings valued at over £500,000. This is expected to add a further £290 million to the yield from stamp duty in 2000/01³.

While the stamp duty tax rates are substantially lower than for capital gains tax, where capital gains tax is applied in the UK it is indexed for inflation, and is thus not applied to the full cash increases in asset values. Where the tax is levied it is applied at the relevant rate of income tax, and the first £7,100 (1999/2000 level) of any assessed gain is exempt from tax. While stamp duty adds to transaction costs, and can be seen as a tax on mobility, in that it bears most heavily on frequently moving households, in broad terms it effectively balances out the overall gains to home-owners derived from the exemption from capital gains tax.

Home-owner benefits

The issues related to the limited means tested help with the housing costs of home-owners are discussed in the earlier 'Half the poor' article (Section 1 Contemporary issues 1). The continuing substantial decline in the help with mortgage costs provided as part of the Income Support and Jobseeker's Allowance schemes (ISMI) are charted in Table 103 in the Compendium. In 1999, ISMI costs were some £527 million – little more than half the level in 1995.

There has been a similar substantial fall in expenditure on private sector renovation grants, which predominantly go to home-owners. These are means tested in England and Wales, but not in

Scotland. Budgetary constraints, together with the abolition of the statutory right to a means tested grant in England and Wales, has seen the value of those grants halved over the five years to just £326 million in 1998 (Table 2.6.2).

Benefit costs decline

After nearly two decades of sharply rising housing benefit costs, over the last three years costs have declined in real terms (Figure 2.6.1). The largest single factor in that more recent decline has been the reduction in the numbers of private tenants in receipt of housing benefit, following on from the introduction of the 'local reference rent' and 'single room rent' limits in 1996. Declining unemployment and the easing of upward pressures on council and housing association rents were also factors.

Over the period from 1980/81 to 1999/00 there was, nonetheless, a fourfold increase in the real costs of

housing benefit. A relatively small part of that rise – just 21 per cent – can be attributed to an increase in the number of claimant households, but that is no more than the rate of increase for household numbers over the same period. The primary reason for the increase in benefit costs was the substantial rise in real terms of council and housing association rents, the deregulation of private rents, and the greater proportions of claimant tenants that now reside in the more expensive rented sectors.

It may also be noted that the outturn expenditure on housing benefit under the Labour government has been substantially below the levels of the estimates in the Expenditure Plans inherited from the previous government. The total 'underspend' against the inherited plans was some £440 million in 1997/98; £1,030 million in 1998/99, and £1,700 million in 1999/00. While declining

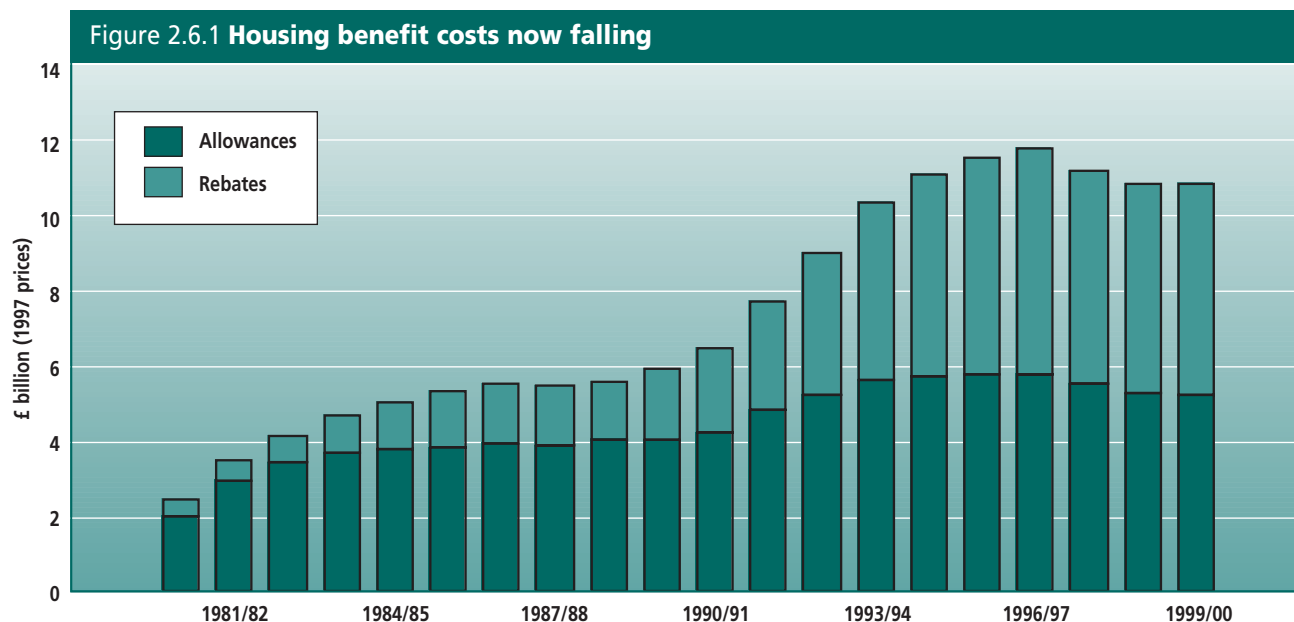
Table 2.6.2 Private sector improvement grants

£ million

	1990	1991	1992	1993	1994	1995	1996	1997	1998
England	316.7	281.6	349.9	361.3	385.6	336.7	316.5	232.1	172.5
Scotland	117.2	107.1	109.5	99.2	87.4	78.5	66.0	49.3	46.2
Wales	85.0	93.4	139.6	152.6	132.5	144.7	142.8	128.2	107.5
Total	518.9	482.1	599.0	613.1	605.5	559.9	525.3	409.6	326.2

Source: Housing and Construction Statistics, Welsh Housing Statistics

Note: Includes grants under 1985, 1989 and 1996 Acts for repairs and improvements, excluding disabled facilities grants.



Source: Compendium Table 107

unemployment, and the introduction of the working families tax credit in the second half of 1999/00 were factors in that 'underspend', the most substantial factor was the under-estimation of the savings that would follow on from the introduction of the local reference and single room rent limits.

In this context it should be once again noted that the future projections of housing benefit costs continue to be made on extremely cautious assumptions, and outturn future expenditure is very likely to be well below the levels officially projected for the years to 2001/02 (Compendium Table 107).

A discussion of the Housing Green Paper proposals for housing benefit reform can be found in the earlier 'Contrasting ambitions' article (Section 1, Contemporary issues 2).

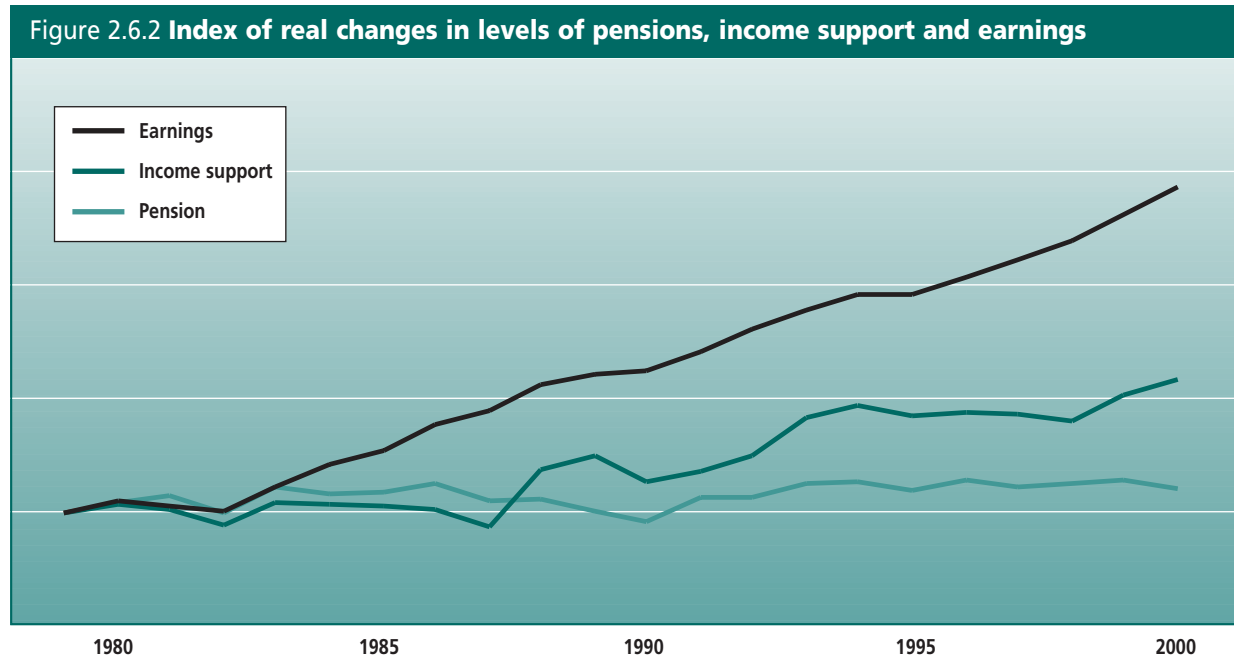
Tackling poverty and social exclusion

The government's focus on tackling poverty and social exclusion has resulted in two important publications. The first is a volume from the Office of National Statistics that charts a range of measures of social inequality⁴, drawing on a wide range of data sources, and very usefully supplementing the now well established 'Households Below Average Income Series'⁵. The new volume is planned to be updated annually.

It will therefore provide a regular measure of how far the government is succeeding in meeting the explicit anti-poverty targets that it has set out in what is also billed as the first annual report on progress in tackling poverty and social exclusion⁶. It is commendable that the government has set explicit targets, albeit that they are set in relatively soft terms, and are subject to caveats about their achievement being measured 'over the economic cycle'. Some of the key targets are:

- a reduction in the proportion of children living in workless households;
- a reduction in the proportion of children living in households with low incomes;
- an increase in the proportion of working age people in employment;
- a reduction in the proportion of working age people with low incomes;
- a reduction in the number of people sleeping rough;
- a reduction in the proportion of older people with low incomes;
- a reduction in the proportion of households containing at least one person aged 75 or over living in poor housing.

While it is pleasing to see at least some housing targets in a document from the Department of Social Security, they are particularly restrictive. Why are there not targets to reduce all forms of homelessness, or to reduce the proportion of all households living in poor housing? It is to be hoped that there can be some more extensive dialogue



between government departments before the second annual report is published, and that it is extended to include a more comprehensive range of housing targets.

The DSS and DETR also need to consider just how they think they are to achieve the objective of reducing the proportions of elderly people living in poor housing. For council and housing association tenant households, those objectives will depend on governments' future levels of financial provision. For home-owners' households that constitute virtually a half of all low-income households living in poor housing, the DSS annual report outlines the role of

improvement grants, home improvement agencies, and the home improvement trust in providing loans for 'asset rich' pensioners.

However, as seen above, provision for improvement grants is declining, and it is already evident that both many retired home-owners are very reluctant to 'get back into debt' and that the incomes available from housing assets through income plans while the owner continues to remain in residence are very limited. At the same time, the numbers of home-owners households aged over 75 are expected to grow by some 70 per cent over the next two decades (to 2.4 million)⁷.

The wider income targets set by the DSS rest heavily on the policies designed to reduce the numbers of economically inactive households, and on the working families tax credit (WFTC) and the minimum income guarantee for pensioners, as measures to boost the earnings and benefits of households with lower incomes.

While these improvements to the benefit system, and the higher levels of allowances for young children being introduced this year as part of both the WFTC and Income Support schemes, will all act to assist lower income households, those improvements are all within a context where means tested benefits are only updated each year in line with inflation rather than earnings.

This year, non-means tested benefits were uprated by just over 1 per cent, based on the inflation measure that included housing costs, which gave rise to the now infamous 75 pence increase in state pensions. Means tested benefits were uprated by 1.6 per cent, based on the inflation measure excluding housing costs. In contrast, average earnings grew by over 4 per cent last year (Compendium Table 2). The long term impact of the policy of linking benefit rises to inflation rather than earnings for people aged 75 and over, is shown in Figure 2.6.2. Over the last two decades earnings have risen more than 50 per cent relative to state pensions, and more than 30 per cent relative to Income Support levels.

While the 'Minimum Income Guarantee' (MIG) for pensioners (the new name for Income Support for

pensioners) is now to be uprated in line with earnings, there are no similar proposals for other benefits or state pensions. The ever growing gap between benefit and earned incomes that follows from the continuing link between benefits and inflation, will continually undermine the government's stated anti-poverty policies, unless they continue to come up with a successive range of 'one off' initiatives to improve benefits. It remains to be seen whether there will be any change of policy on this front with this summer's Spending Review (see Section 2 Chapter 7).

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Section 2 Commentary

Chapter 7 The Spending Review

Steve Wilcox and John Perry

The outcome of the government's Spending Review¹ were announced in late July, only a week or so before this year's *Review* went to the printers. This additional chapter provides an update to the other sections of the *Review* and assesses the outcome of the Spending Review, and in particular its implications for housing policies and programmes.

The Spending Review has confirmed, and extended, the overall increase in provision for public expenditure in the UK over the three years to 2003/04. In overall terms 'Totally Managed Expenditure' (TME) will rise from £371.6 billion in the current year to £439.6 billion in 2003/04. That 18 per cent rise in cash terms over three years represents a real rise of just over 3 per cent per annum over the period, and TME is projected to rise to 40.5 per cent of Gross Domestic Product (GDP) at the end of the period, which is marginally over the 40 per cent limit that has become one of the benchmarks of the government's 'prudent' approach to public spending.

While the Budget economic estimates remain reasonably cautious, the growth of public spending relative to GDP inevitably makes those plans rather more vulnerable to any economic downturn. In that event the headline public spending commitments on health and education would most probably be safeguarded; while less politically sensitive programmes (such as housing) might be more at risk.

The distribution of the proposed increases in TME are shown in Table 2.7.1, and the main elements of

spending within 'Departmental Expenditure Limits' (DEL) are shown in Table 2.7.2. While they are a relatively small part of the overall spending programme, the planned growth in housing and regeneration budgets increases slightly faster than the DEL average over the three years.

Within the overall programme, capital budgets increase more rapidly than current expenditure budgets (Table 2.7.3). The latter are now being renamed 'resource budgets', following the adoption of 'resource accounting' conventions in the presentation of public spending plans in the Spending Review. Because of that change in conventions, care must be taken when comparing the figures set out in the Spending Review with those from the Budget 2000, and other earlier sets of figures. While the change only has a limited impact on DETR budgets, in overall terms for the current year, the change reduces DEL current budgets by some £4.8 billion, and increases DEL capital budgets by some £5.6 billion.

Those changes are primarily the result of some expenditures (such as defence equipment) being switched from current to capital budgets, and partly from the inclusion in the capital budget of public corporations' self financed capital investment. However, even after allowing for the change in conventions the DEL capital budget for 2001/02 has been increased by some £3.5 billion (15 per cent) compared to the provisions made in the 2000 Budget. Similarly the DEL resource budget has been increased by some £7.3 billion (4 per cent).

Housing programmes

Further details have also been released in respect of DETR housing budgets (Table 2.7.4), but at the time of writing details about the disposition of the overall budgets for Scotland, Wales and Northern Ireland were not available. In broad terms, however, their overall budgets increase over the years to 2003/04 more or less in line with the DEL average.

For England, the most striking change in the DETR housing budget is the introduction from 2001/02 of the new major repairs allowances for council housing, that are part of the move towards resource accounting for council housing revenue accounts from April 2001. Nationally, provision for the major repairs allowance in 2001 has been set at £1.6 billion, and this broadly equates to an annual allowance of some £550 per dwelling. This is not, however, additional money, as it is netted off from the planned provision for housing based credit approvals.

In the years ahead the provision for the major repairs allowance declines, in anticipation of reduced stock numbers flowing from both Right to Buy sales and stock transfers. In overall terms, however, there is a modest increase in overall local authority housing capital provision, as a result of the new budgets for arms-length management companies.

These companies, as suggested in the Housing Green Paper, will be given permission to borrow outside the normal constraints of the local government

Table 2.7.1 Spending Review 2000 – Totally Managed Expenditure (TME)

£ billion

	1999/00	2000/01	2001/02	2002/03	2003/04
Departmental Expenditure Limits (DEL)					
Resource budget	158.5	172.8	185.1	197.3	209.1
Capital budget	18.2	22.4	27.0	31.9	36.6
Total Departmental Expenditure Limits (A)	176.8	195.2	212.1	229.3	245.7
Annually Managed Expenditure					
Departmental AME:					
Social security benefits	97.1	99.5	104.4	107.3	111.9
Housing revenue account subsidies	3.2	3.3	3.3	3.2	3.1
Common agricultural policy	2.7	2.7	2.9	2.8	2.8
Export credits guarantee department	0.9	0.8	0.4	0.2	0.0
Self-financing public corporations capital spending	0.9	1.6	1.2	1.2	1.3
Net public service pensions	5.1	5.7	5.5	5.7	6.0
National lottery	1.9	2.3	2.0	2.1	2.1
Other programme expenditure	- 0.1	0.0	0.0	0.0	0.0
Non-cash items:					
Depreciation	7.3	7.3	7.9	8.3	8.7
Cost of capital charges	12.7	13.0	13.2	13.5	13.8
Provisions and other charges	0.3	- 0.4	- 0.3	0.0	0.2
Total Departmental AME (incl. non-cash items)	132.0	135.8	140.5	144.3	149.9
Other AME:					
Net payments to EC institutions	2.9	2.7	2.5	2.6	2.9
Locally financed expenditure	17.2	18.0	18.9	19.8	20.6
Central government debt interest	25.6	27.0	26.1	25.3	24.7
Accounting and other adjustments	- 13.8	- 8.6	- 8.1	- 7.8	- 7.1
Total other AME	31.9	39.1	39.3	39.9	41.1
AME margin		1.5	1.0	2.0	3.0
Annually Managed Expenditure (B)	163.9	176.4	180.8	186.2	193.9
Total Managed Expenditure (A + B)	340.7	371.6	392.9	415.4	439.6
<i>of which:</i>					
Current expenditure	323.5	349.4	366.8	384.5	404.3
Net investment	2.6	7.2	10.6	15.0	19.0
Depreciation	14.6	15.0	15.4	15.9	16.3

Source: Spending Review 2000, Cm 4807, HM Treasury July 2000, The Stationery Office.

Table 2.7.2 Spending Review 2000 – Departmental Expenditure Limits

£ billion

Departmental Expenditure Limits (DEL)	1999/00	2000/01	2001/02	2002/03	2003/04
Education and employment	15.5	18.9	21.3	23.5	25.7
Health	40.9	45.3	49.5	54.4	59.0
<i>of which NHS</i>	40.2	44.5	48.2	52.3	56.7
Environment, transport and regions	9.8	10.7	13.2	15.5	17.9
of which Housing and regeneration	3.9	4.5	5.7	6.4	7.0
Local government	34.2	35.4	36.8	39.2	41.9
Home Office	7.5	8.2	9.6	10.3	10.6
Legal departments	2.8	3.0	3.1	3.2	3.2
Defence	21.9	23.0	23.6	24.2	25.0
Foreign and Commonwealth office	1.2	1.1	1.2	1.3	1.3
International development	2.5	2.8	3.1	3.3	3.6
Trade and industry	3.0	3.8	4.6	4.3	4.3
Agriculture, fisheries and food	1.1	1.0	1.3	1.3	1.4
Culture, media and sport	1.0	1.0	1.1	1.2	1.2
Department of Social Security	3.2	3.2	3.9	4.3	4.2
Scotland	13.9	15.0	16.2	17.4	18.4
Wales	7.1	7.8	8.4	9.1	9.8
Northern Ireland executive	4.9	5.3	5.7	6.0	6.3
Northern Ireland office	1.0	1.0	1.1	1.1	1.0
Chancellor's departments	3.5	3.7	4.1	4.3	4.3
Cabinet office	1.4	1.4	1.5	1.5	1.5
Employment opportunities fund	0.5	0.9	0.9	0.9	1.4
Invest to save budget			0.1	0.1	0.1
Capital modernisation fund		0.1	0.4	0.9	1.2
Policy innovation fund			0.1	0.1	0.1
Reserve		2.7	1.5	2.0	2.5
Total Departmental Expenditure Limits	176.8	195.2	212.4	229.3	245.7

Source: Spending Review 2000, Cm 4807, HM Treasury July 2000, The Stationery Office.

Table 2.7.3 Spending Review 2000 – Capital budgets and public sector net investment

£ billion

	1999/00	2000/01	2001/02	2002/03	2003/04
Capital budget:					
in Departmental Expenditure Limits	18.2	22.4	27.0	31.9	36.6
<i>of which:</i>					
Departmental DEL (excl. public corporations)	14.6	18.0	22.9	27.2	31.5
Public corporations capital expenditure	3.7	3.6	3.3	3.3	3.3
Non-departmental DEL	0.0	0.8	0.7	1.3	1.8
in Departmental AME (excl. non-cash items)	3.3	3.3	2.8	2.7	2.7
<i>of which:</i>					
Departmental AME (excl. self-financed PCs)	2.4	1.7	1.6	1.4	1.2
Self-financed public corporations capital expenditure	0.9	1.6	1.3	1.3	1.5
Non-departmental AME					
Total Capital Budget	21.7	25.8	29.8	34.7	39.3
Other capital spending in AME:					
Locally financed capital expenditure	0.8	0.7	0.7	0.8	0.8
AME margin (capital)		0.1	0.0	0.1	0.1
Accounting and other adjustments	- 1.5	- 0.9	- 0.6	- 0.8	- 0.7
Classification changes to national accounts	- 3.6	- 3.4	- 3.9	- 3.8	- 4.1
Public sector gross investment	17.2	22.3	26.1	30.9	35.4
less Depreciation (national accounts)	14.6	15.0	15.4	15.9	16.3
Public sector net investment	2.6	7.3	10.6	15.0	19.0

Source: Spending Review 2000, Cm 4807, HM Treasury July 2000, The Stationery Office.

Table 2.7.4 Spending Review 2000 – Housing expenditure

£ billion

	Plans agreed prior to Review 2001/02	Total Spending Plans			
	2001/02	2001/02	2002/03	2003/04	Totals
Local authority capital	2,305	2,305	2,465	2,545	7,316
<i>of which</i>					
Housing based credit approvals	2,305	705	793	842	2,341
Arms-length management companies	0	0	160	300	460
Major repairs allowance	0	1,600	1,512	1,403	4,515
Housing Corporation	890	995	1,158	1,460	3,614
<i>of which</i>					
Approved Development Programme including ERCF (capital)	691	789	940	1,236	2,966
... including Rough Sleepers Initiative capital of	24	24	24	24	71
Current expenditure	199	206	218	224	648
... including Social Housing Management Grant of	145	145	157	162	463
... including Rough Sleepers Initiative current expenditure of	18	18	18	18	54
... including Innovation and Good Practice Grant of	6	7	9	10	27
Starter Home Initiative	0	50	100	100	250
Large Scale Voluntary Transfer Pool	86	86	196	211	492
Supporting People	0	20	55	78	153
Safer Communities Supported Housing Fund	0	22	45	70	137
Disabled Facilities Grant	75	87	88	89	263
Home Improvement Agencies	7	9	9	9	26
Rough Sleepers Unit and Homelessness	30	30	30	30	91
Lettings Pilot Schemes	0	6	4	1	11
Tenant Participation Grant	6	6	6	6	19
Neighbourhood Wardens	0	2	3	5	10
Other housing expenditure	152	64	42	43	149
Total Housing (Departmental Expenditure Limit)	3,552	3,682	4,201	4,647	12,530
Housing Revenue Account Subsidy (AME)	3,096	3,106	3,025	2,958	9,089
Private Finance Initiative for Housing	160	160	300	300	760

Source: Answer to Parliamentary Question, 25/7/2000.

capital control system, but only if they pass the Best Value tests set by DETR, prepare full business plans, and are included within the approved programme. This budgetary provision makes it quite clear that while the arms-length companies will be 'free' to borrow, there has been no related change in the wider system of public sector accounting: their spending still counts as public spending and has to be covered by the DETR budgetary provision.

If the overall rise in provision for council housing capital spending over the period is relatively modest, it should not be forgotten that the base year provision of £2.3 billion for housing credit approvals is nearly twice the level of provision in 1999/000, and the future levels of provision build on that increase. More importantly it is estimated that the level of provision suggested, together with the planned level of future stock transfers, and permissions for the use of PFI contracts, should be just sufficient to meet the official target to, "*ensure that all social housing is of a decent standard by 2010*".

It should also be noted that no significant change is shown in the budget for housing revenue account subsidies in England. There will be a major change, however, if and when the proposed legislation to remove the link between the housing and housing benefit subsidies for council housing goes ahead. At that point notional 'rent surpluses' are likely to contribute towards the provision for major repairs allowances, rather than to the costs of housing benefit. However there will be no major

consequential change in the overall level of provision for council housing investment.

New social housing

The DETR plans also make provision for the latest low cost home-ownership initiative – the 'starter homes' for key workers in high cost areas proposed in the Housing Green Paper. The budget for the starter homes initiative is £50 million in 2001/02, rising to £100 million in each of the following years. While this initiative does address a current market and planning failure, it should also be recognised that it will primarily benefit households with moderate to average incomes, rather than households with very low incomes.

There is, however, also a welcome increase in the provision for the Housing Corporation budget, which increases by just over £100 million in 2001/02, and by a further £160 million in 2002/03 and then £200 million in 2003/04. Overall, the cash budget rises by over 60 per cent over the period; while the 'Approved Development Programme' budget rises by nearly 80 per cent.

Although the cash increase for the Housing Corporation is very welcome, this will not necessarily result in any significant rise in the numbers of new social rented dwellings constructed. The new rent policies proposed in the Housing Green Paper will limit aggregate RSL rent rises to just RPI (compared to the RPI+1% cap in recent years). This will mean that average grant rates for new developments will need to rise. Furthermore if a

greater proportion of new RSL investment is to be directed towards high need – and high cost – areas, this will also put an upward pressure on unit costs.

Home-owners

Overall housing based credit approvals for councils, after the major repairs allowances have been netted off, are set to rise from £705 million in 2001/02 to £842 million in 2003/04. However, that provision will operate in the context of the move to a 'single capital pot' for all local government investment programmes in England. If the Scottish experience with a similar move a few years ago is any guide, this will result in councils spending less on private sector home improvement grants, and more on other 'non-housing' council services.

The downward trend in home improvement grant spending following the abolition of mandatory grants in 1996 is thus likely to continue. It is also notable that while the Spending Review has set an explicit target for achieving decent standards in social housing, there is no similar target for private housing, despite the fact that three-quarters of all the households living in poor housing reside in the private sector².

Housing benefit

If there is an appreciable increase in the overall DETR housing budgets over the period of the Spending Review, there is no such provision for housing benefit spending. Rather the Spending Review emphasises that the government's deliberate policies to contain the costs of social security

spending, and 'cracking down on fraud', are necessary in order to release funds for other public sector spending programmes.

This budgetary approach is clearly linked to the extremely limited proposals for housing benefit reform set out in the Housing Green Paper, that will do very little to either simplify the scheme or to ease the work and savings disincentives that characterise the current scheme³. Consequently there is no suggestion that any significant part of the £1.7 billion savings in housing benefit expenditure in 1999/00 (compared to the plans inherited from the previous government) should be used to fund simplifications and other improvements to the housing benefit scheme.

Much of the £1.35 billion saving in private sector housing benefit costs in 1999/00 can be attributed to the decline in the numbers of private tenants supported by housing benefit since the introduction of the 'local reference rent' (LRR) and 'single room rent' (SRR) limits in 1996. In the early 1990s, DETR argued that the growth in the supply of private rented dwellings to low-income households effectively offset the decline in investment in new social rented housing. On the same logic either DETR should now be significantly increasing its programme for investment in new social housing, or the DSS should be looking to significantly ease the LRR and SRR limits, with a view to securing an increased supply of private rented housing to low-income households. This would need to be far more radical than the

suggested easing of the SRR definition discussed in the Housing Green Paper.

Conclusion

There is much to welcome in the Spending Review 2000, and in many areas it puts the flesh on the bones outlined in the Housing Green Paper. There are, however, also some major omissions, including the failure to address the issue of poor housing conditions in the private sector, and the failure to use the opportunity of falling housing benefit costs to radically reform the scheme.

References

1. *Spending Review 2000*, Cm 4807, HM Treasury, July 2000, The Stationery Office.
2. See *Half the poor?*, Section 1, Chapter 1 of this *Review*.
3. See *Contrasting ambitions*, Section 1, Chapter 2 of this *Review*.

Section 3 Compendium of tables

Housing, the economy
and public expenditure

Table 1 Key economic trends

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Gross Domestic Product														
£ billion (Cash)	51.2	105.0	229.6	354.2	554.5	582.9	606.6	637.8	676.0	712.5	754.6	803.9	847.2	889.9
£ billion (1995 prices)	416.8	461.6	504.8	559.5	658.5	648.6	649.0	664.0	693.2	712.5	730.8	756.4	772.8	788.8
% annual real growth	2.7	2.1	1.9	2.2	3.5	-1.5	0.1	2.3	4.4	2.8	2.6	3.5	2.2	2.1
Claimant unemployment														
000s	–	796	1,364	3,028	1,661	2,286	2,765	2,901	2,619	2,306	2,103	1,586	1,347	1,249
%	2.5	3.1	5.1	10.9	5.8	8.0	9.7	10.3	9.3	8.0	7.3	5.5	4.7	4.3
Inflation %	6.4	24.2	18.0	6.1	9.5	5.9	3.7	1.6	2.4	3.5	2.4	3.1	3.4	1.5
Interest rates %	7.0	11.0	14.0	11.5	14.0	10.5	7.0	5.5	6.3	6.5	6.0	7.3	6.3	5.5

Sources: UK National Accounts, Economic Trends, Financial Statistics.

Notes: Gross Domestic Product is shown at current (YBHA) and 1995 market prices (ABMI). For the years to 1990 the annual real growth rates are averages for the preceding 5 year period. Claimant unemployment figures are seasonally adjusted (BCJD & BCJE). Inflation is the General Index of Retail Prices (CZBH). Interest rates are the year end base rates of selected retail banks, except for 1970 which is the bank rate.

Table 2 Average male and female earnings in Great Britain

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
£ per week														
All full-time men	30.0	60.8	124.5	192.4	295.6	318.9	340.1	353.5	362.1	374.6	391.3	408.7	427.1	442.4
All full-time women	16.3	37.4	78.8	126.4	201.5	222.4	241.1	252.6	261.5	269.8	283.0	297.2	309.6	326.5
Full-time manual men	26.8	55.7	111.7	163.6	237.2	253.1	268.3	274.3	280.7	291.3	301.3	314.3	328.5	335.0
Full-time manual women	13.4	32.1	68.0	101.3	148.0	159.2	170.1	177.1	181.9	188.1	195.2	201.1	210.8	221.9
Percentages														
All women's earnings as a % of all men's earnings	54.3	61.5	63.3	65.7	68.2	69.7	70.9	71.5	72.2	72.0	72.3	72.7	72.5	73.8
All manual women's earnings as a % of all manual men's earnings	50.0	57.6	60.9	61.9	62.4	62.9	63.4	64.6	64.8	64.6	64.8	64.0	64.2	66.2

Sources: Regional Trends, New Earnings Surveys.

Note: Earnings figures are inclusive of overtime.

Table 3 Household disposable income, consumer spending and savings¹

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
£ billion														
Household disposable income	32.1	67.7	146.2	222.5	356.6	390.7	424.2	452.1	468.2	494.6	521.3	554.6	568.4	600.4
– Consumer spending	31.1	64.2	135.5	212.0	347.2	368.2	387.3	412.4	433.8	454.2	485.4	517.0	546.9	582.0
= Savings	0.9	3.5	10.7	10.5	9.4	22.5	36.9	39.7	34.4	40.4	35.9	38.5	25.1	18.4
Savings ratio ² (%)	2.8	5.2	7.3	4.7	2.6	5.8	8.7	8.8	7.3	8.2	6.9	6.9	4.4	3.1
Increases over previous years ³ :														
Household disposable income														
% (Cash)		22.2	23.2	10.4	9.9	9.6	8.6	6.6	3.6	5.6	5.4	6.4	2.5	5.6
% (Constant prices)		3.2	2.5	1.8	4.3	1.4	3.7	3.0	1.3	2.6	2.2	3.8	- 0.1	3.2
Consumer spending														
% (Cash)		21.3	22.2	11.3	10.4	6.0	5.2	6.5	5.2	4.7	6.9	6.5	5.8	6.4
% (Constant prices)		2.7	2.0	2.4	4.7	- 1.8	0.5	2.9	2.9	1.7	3.7	3.9	3.1	3.9

Sources: UK National Accounts; Economic Trends & Financial Statistics for latest data.

Notes: 1. Households include non-profit institutions serving households.

2. The 'Savings Ratio' is the ratio of savings to household disposable income.

3. For the years to 1990 the increases are the average annual increase over the previous five years. 'Real' disposable income and consumer expenditure increases are calculated with reference to the deflator for household consumption expenditure (YBFS).

Table 4 Measures of employment and unemployment*Thousands*

	1979	1984	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Employees	22,576	20,587	22,171	22,379	22,008	21,524	21,382	21,475	21,740	22,090	22,521	23,113	23,504
+ Self-employed	1,788	2,627	3,433	3,477	3,323	3,138	3,101	3,219	3,274	3,213	3,258	3,177	3,145
+ Training programmes	–	328	495	462	420	369	333	315	267	225	199	150	149
+ Unpaid family workers	–	–	–	–	–	179	145	140	133	122	111	95	96
= Total in employment	24,364	23,542	26,099	26,318	25,751	25,209	24,960	25,150	25,414	25,651	26,089	26,535	26,896
+ ILO unemployed	1,440	3,105	1,983	1,871	2,301	2,649	2,903	2,716	2,435	2,319	2,029	1,772	1,712
= Total economically active	25,804	26,647	28,082	28,189	28,051	27,858	27,863	27,865	27,849	27,970	28,117	28,308	28,607
Economically inactive	15,346	16,033	15,663	15,658	15,854	16,199	16,353	16,412	16,532	16,553	16,559	16,716	16,581
Claimant unemployed	1,087	2,874	1,835	1,594	2,164	2,695	2,949	2,690	2,335	2,186	1,670	1,360	1,288

Sources: Economic Trends, Labour Force Survey Historical Supplement, Office for National Statistics.

Notes: Figures are seasonally adjusted. UK claimant unemployment figures are for the second quarter of the year. All other figures are for Great Britain, from the Labour Force Survey for the Spring of each year.

The Labour Force definitions of unemployment and inactivity apply for 1979. Thereafter, the ILO definition (based on a four week instead of a one week job search period) applies.

Table 5 Regional claimant unemployment rates at 1st quarter in year*Percentages*

Region	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North East	–	–	–	–	9.7	10.2	11.7	12.8	12.9	11.9	11.2	9.2	7.9	7.5	6.8
Yorkshire & Humberside	2.7	2.2	4.0	11.7	6.6	7.4	9.4	10.5	10.1	8.8	8.3	6.9	5.7	5.4	4.7
North West	–	–	–	–	6.1	6.8	8.9	9.8	9.3	7.7	6.9	5.8	4.5	4.3	3.9
Merseyside	–	–	–	–	13.0	13.0	15.0	15.5	15.6	13.7	13.0	11.9	9.9	8.9	8.4
West Midlands	1.8	2.0	4.0	12.7	5.7	6.6	9.7	11.1	10.6	8.6	7.7	6.2	4.9	4.7	4.3
East Midlands	2.1	1.9	3.2	9.7	4.9	5.8	8.4	9.8	9.1	7.8	7.1	5.6	4.1	4.0	3.6
Eastern	–	–	–	–	3.1	4.8	7.7	9.7	8.8	6.9	6.2	4.9	3.5	3.1	2.7
London	–	1.4	2.6	8.6	4.7	6.2	9.6	11.8	11.2	9.7	8.9	7.4	5.5	5.1	4.5
South East	–	–	–	–	2.6	4.1	7.1	9.0	8.0	6.3	5.4	4.1	2.8	2.5	2.2
South West	2.7	2.4	3.6	8.9	3.8	5.3	8.4	9.8	8.7	7.1	6.5	5.2	3.6	3.3	2.7
Wales	3.9	3.1	5.3	13.6	6.6	7.6	9.6	10.4	9.9	8.6	8.5	7.3	5.7	5.5	4.8
Scotland	3.8	3.1	5.9	12.7	8.4	8.0	9.1	9.9	9.6	8.4	8.0	7.2	5.8	5.6	5.1
Great Britain	2.4	2.2	3.9	10.6	5.4	6.4	9.0	10.4	9.8	8.3	7.6	6.2	4.8	4.5	4.0
Northern Ireland	6.5	4.5	7.9	15.3	13.0	12.5	13.5	14.0	13.0	11.7	11.1	9.2	7.8	7.2	5.7
United Kingdom	2.5	2.3	4.0	10.7	5.6	6.6	9.1	10.5	9.9	8.4	7.7	6.3	4.8	4.5	4.0

Source: Economic Trends.

Notes: Figures are seasonally adjusted. Figures from 1997 are affected by the introduction of the Jobseeker's Allowance. Figures for government office regions are unavailable for the years prior to 1987, except where they coincide with standard regions.

Table 6 Personal housing wealth, borrowing and net equity

£ billion

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Net equity	37.1	105.9	262.5	430.3	864.6	837.6	751.4	758.3	737.3	721.3	811.1	895.4	1,075.3	1,233.3
+ House loans	11.5	25.0	52.5	127.4	294.1	319.9	339.9	357.6	375.8	390.3	409.6	431.6	456.6	493.8
= Gross assets	48.6	130.9	315.0	557.7	1,158.7	1,157.5	1,091.3	1,115.9	1,113.1	1,111.6	1,220.7	1,327.0	1,531.9	1,727.1
Index of growth of gross assets	15.4	41.6	100.0	177.0	367.8	367.5	346.4	354.3	353.4	352.9	387.5	421.3	486.3	548.3
Deflator for gross domestic capital formation	24.3	50.7	100.0	129.2	173.6	173.9	167.8	168.1	172.1	181.2	186.6	185.1	185.5	189.3
Index of real growth of gross assets	63.4	82.1	100.0	137.0	211.9	211.3	206.4	210.8	205.3	194.8	207.7	227.6	262.2	289.6

Sources: UK National Accounts, Economic Trends, Office for National Statistics; Financial Statistics Table 3.2c; author's estimate of 1999 gross assets.

Note: The personal sector includes housing association and non-corporate private landlords. See Table 41 for net equity estimates for home-owners.

Table 7 Equity withdrawal

£ million

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Net mortgage lending	3,613	7,368	19,118	33,287	25,973	18,415	16,647	19,213	15,165	19,106	23,834	25,225	37,882
+ Private housing grants	78	159	697	519	482	599	613	606	560	525	410	326	325
- Domestic capital formation	2,725	6,115	9,683	16,867	15,577	16,246	17,124	18,285	18,784	20,467	22,018	24,763	26,219
- Council house sales	24	786	1,240	2,215	1,447	1,229	1,227	1,088	991	936	1,183	742	750
= Equity withdrawal	942	626	8,892	14,724	9,431	1,539	- 1,091	446	- 4,050	- 1,772	1,043	46	11,238
Consumer spending £bn	62.9	132.7	206.6	336.5	357.8	377.1	399.1	419.3	438.5	467.8	498.3	527.1	560.9
Equity withdrawal as % of consumer spending	1.50	0.47	4.30	4.38	2.64	0.41	- 0.27	0.11	- 0.92	- 0.38	0.21	0.01	2.00

Sources: Mortgage lending – Financial Statistics (AAPR); Private housing grants – Housing and Construction Statistics; Domestic capital formation – Economic Trends (DFDF); Council house sales – UK National Accounts (CTCS); Consumer spending – Economic Trends (ABPB).

Notes: 1999 figures for private housing grants are estimates based on data for the first three quarters of the year. Equity withdrawal peaked in 1988, when it was £19.8 billion and 6.98% of consumer spending.

Table 8 **Gross fixed investment in residential buildings as a percentage of Gross Domestic Product¹**

Percentages

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	Average 1985-96
Germany ²	6.7	5.8	6.8	5.5	5.3	5.2	5.2	5.3	5.6	5.9	6.3	6.7	7.3	7.4	7.3	6.3
Canada	4.1	5.6	4.7	5.4	6.2	7.1	7.1	7.3	6.3	5.6	5.9	5.6	5.6	4.6	5.0	5.9
Japan	7.0	7.6	6.9	4.8	4.9	5.8	6.1	6.0	6.1	5.5	5.1	5.3	5.7	5.3	5.8	5.6
Netherlands	–	–	6.2	5.0	5.1	5.3	5.8	5.6	5.2	4.8	5.1	5.0	5.1	5.1	5.0	5.2
Italy	6.4	5.5	5.3	6.1	5.6	5.2	5.1	5.0	5.2	5.3	5.3	5.3	5.1	4.8	4.5	5.1
Australia	4.9	4.9	4.9	5.1	4.5	4.5	5.4	5.4	4.9	4.8	5.3	5.5	5.6	4.6	4.4	5.0
France	6.7	7.3	6.2	5.5	5.3	5.3	5.4	5.4	5.3	5.2	5.0	4.6	4.6	4.5	4.4	5.0
Ireland	3.8	5.6	6.5	4.7	4.7	4.3	3.9	4.1	4.4	4.5	4.9	4.2	5.1	5.3	6.0	4.8
New Zealand	–	6.6	3.5	4.5	4.4	4.5	4.2	4.7	4.7	4.1	4.2	4.7	5.4	5.5	5.6	4.8
USA	3.8	3.5	3.9	4.6	5.1	5.0	4.8	4.4	3.9	3.4	3.7	4.0	4.2	4.0	4.2	4.2
Sweden	5.6	4.0	4.7	4.4	4.1	4.4	5.0	5.4	5.9	6.5	5.9	3.9	2.3	1.7	1.9	4.2
Belgium	5.6	6.3	6.5	3.1	3.0	3.2	3.9	4.4	4.7	4.1	4.3	4.3	4.5	4.6	4.3	4.1
United Kingdom	3.2	3.9	2.8	3.4	3.7	3.9	4.5	4.5	3.9	3.2	3.1	3.2	3.2	3.2	3.0	3.5

Sources: National Accounts Vol II, OECD 1984 & 1998.

Notes: 1. Gross fixed investment in dwellings and Gross Domestic Product are at market prices.

2. The Federal Republic as constituted before reunification for the years until 1990.

Table 9 **Growth of real Gross Domestic Product***Average annual percentage changes from previous period*

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	Estimates and projections		
													1999	2000	2001
Japan	2.9	3.6	5.0	4.6	3.8	1.0	0.3	0.6	1.5	5.1	1.4	- 2.8	1.4	1.4	1.2
USA	- 1.3	- 0.5	3.2	3.1	- 0.2	3.3	2.4	4.0	2.7	3.7	4.5	4.3	3.8	3.1	2.3
Belgium	- 1.4	4.3	0.8	3.1	2.0	1.6	- 1.5	3.0	2.6	0.9	3.2	2.9	1.8	2.8	2.7
France	- 0.3	1.6	1.9	3.1	1.1	1.4	- 1.0	1.8	1.8	1.2	2.0	3.4	2.4	3.0	2.9
Germany	- 1.3	1.0	2.0	3.4	5.0	2.2	- 1.1	2.3	1.7	0.8	1.5	2.2	1.3	2.3	2.5
Italy	- 2.7	4.1	2.6	2.9	1.4	0.8	- 0.9	2.2	2.9	0.9	1.5	1.3	1.0	2.4	2.7
Netherlands	- 0.1	0.9	2.6	3.1	2.3	2.0	0.8	3.2	2.3	3.0	3.8	3.7	3.0	2.7	2.6
Spain	0.6	1.3	2.6	4.5	2.3	0.7	- 1.2	2.3	2.7	2.3	3.8	4.0	3.7	3.7	3.5
Sweden	2.7	1.7	1.9	2.3	- 1.1	- 1.6	- 2.4	4.0	3.7	1.3	1.8	2.6	3.9	3.0	2.7
UK	- 0.7	- 2.2	3.8	3.3	- 1.5	0.1	2.3	4.4	2.8	2.6	3.5	2.2	1.7	2.7	2.3
European Union	2.9	3.2	1.5	3.3	1.8	1.2	- 0.4	2.7	2.4	1.6	2.5	2.7	2.1	2.8	2.8

Source: Annex Table 1, OECD Economic Outlook, December 1991 and December 1999.

Note: The figures for 1975, 1980, 1985 and 1990 are the annual average percentage changes over the previous five years.

Table 10 **General Government Financial Balances as a percentage of Gross National Product***Surpluses (+) or Deficits (-)*

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	Estimates and projections			Difference 1999 and EMU Criteria
													1999	2000	2001	
Japan	- 2.8	- 4.4	- 0.8	1.3	2.9	1.5	- 1.6	- 2.3	- 3.6	- 4.2	- 3.4	- 6.0	- 7.6	- 7.9	- 7.2	- 4.6
USA	- 4.1	- 1.3	- 3.1	- 4.1	- 5.0	- 5.9	- 5.0	- 3.6	- 3.1	- 2.2	- 0.9	0.4	1.0	0.9	0.9	4.0
Belgium	- 5.3	- 9.3	- 8.9	- 7.0	- 6.2	- 6.9	- 7.2	- 4.8	- 3.9	- 3.1	- 1.9	- 1.0	- 1.0	- 0.9	- 0.9	2.0
France	- 2.4	0.0	- 2.9	- 1.8	- 2.2	- 3.9	- 6.0	- 5.6	- 5.6	- 4.1	- 3.0	- 2.7	- 2.3	- 1.6	- 1.3	0.7
Germany	- 5.6	- 2.9	- 1.2	- 1.4	- 2.9	- 2.5	- 3.2	- 2.5	- 3.2	- 3.4	- 2.6	- 1.7	- 1.6	- 1.2	- 0.9	1.4
Italy	- 12.9	- 8.6	- 12.6	- 10.8	- 10.0	- 9.5	- 9.4	- 9.1	- 7.6	- 6.5	- 2.8	- 2.7	- 2.3	- 1.6	- 1.3	0.7
Netherlands	- 2.8	- 3.9	- 3.9	- 5.6	- 3.2	- 4.4	- 3.6	- 4.2	- 4.2	- 1.8	- 1.2	- 0.8	- 0.6	- 0.2	- 0.1	2.4
Spain	- 0.5	- 2.2	- 5.8	- 4.1	- 4.2	- 3.9	- 6.6	- 6.0	- 6.9	- 5.0	- 3.1	- 2.3	- 1.4	- 1.1	- 0.7	1.6
Sweden	2.8	- 4.0	- 3.8	3.1	- 1.1	- 7.5	- 11.8	- 11.0	- 7.9	- 3.6	- 1.8	1.9	2.3	2.1	2.5	5.3
UK	- 4.5	- 3.4	- 2.9	- 0.9	- 2.8	- 6.5	- 8.0	- 6.8	- 5.8	- 4.4	- 2.0	0.2	0.7	0.8	0.8	3.7

Source: Annex Table 30, OECD Economic Outlook, December 1999.

Note: The EMU Convergence Criteria is for General Government Financial Deficits of no more than 3% of Gross Domestic Product.

Table 11 **The Budget Economic Forecast¹**

	Percentage changes on a year earlier unless otherwise stated					
	1999	Forecast ²			Average errors from past forecasts ³	
		2000	2001	2002	2000	2001
Output at constant market prices						
Gross domestic product (GDP)	2	2¼ to 3¼	2¼ to 2¾	2¼ to 2¾	½	1
Manufacturing output	0	1¼ to 2¼	1¼ to 2¼	1¼ to 2¼	¾	2½
Expenditure components of GDP at constant market prices						
Domestic demand	3½	3¾ to 4	2½ to 3	2¼ to 2¾	½	1¼
Household consumption ⁴	4	3½ to 3¾	2 to 2½	1¼ to 2¼	¾	1¼
General government consumption	3½	4	2¾	4¼	1	1¼
Fixed investment	5¼	3¾ to 3¾	3¾ to 4¼	3¾ to 4¼	1¾	2¾
Change in inventories ⁵	- ¾	¼	0	- ¼ to 0	¼	½
Exports of goods and services	2½	5½ to 6	5½ to 6	5½ to 6	1¾	2½
Import of goods and services	7¼	7¾ to 8¼	5½ to 6	5½ to 6	1¾	2¾
Balance of payments current account						
£ billion	- 12¼	- 20½	- 21	- 19¾	7	9
Per cent of GDP	- 1½	- 2¼	- 2¼	- 2	¾	1
Inflation						
RPIX (fourth quarter)	2¼	2¼	2½	2½	¾	1
Producer output prices (fourth quarter) ⁶	1¼	2	2	2¼	1	1¼
GDP deflator at market prices (financial year)	2½	2¼	2½	2½	¾	1
Money GDP at market prices (financial year)						
£ billion	901	946 to 951	990 to 1,000	1,037 to 1,053	7	12
Percentage change	5	5 to 5½	4¾ to 5¼	4¾ to 5¼	¾	1¼

Source: Financial Statement and Budget Report, HM Treasury, March 2000.

Notes: 1. The forecast is consistent with the national accounts and balance of payments statistics to the fourth quarter of 1999.

2. The size of the growth ranges for GDP components may differ from those for total GDP growth because of rounding and the assumed invariance of the levels of public spending within the forecast ranges.

3. Average absolute errors for current year and year-ahead projections made in Spring forecasts over the past ten years. The average errors for the current account are calculated as a per cent of GDP with £ billion figures calculated by scaling the errors by forecast money GDP in 2000 and 2001.

4. Includes households and non-profit institutions serving households.

5. Contribution to GDP growth, percentage points.

6. Excluding excise duties.

Table 12a **Total Managed Expenditure (TME)**

	£ billion				Percentages of Gross Domestic Product			
	Outturn	Forecast		2001/02	Outturn	Forecast		2001/02
	1998/99	1999/00	2000/01		1998/99	1999/00	2000/01	
Departmental Expenditure Limits	167.2	178.9	193.7	202.6	21.2	22.0	23.3	23.8
+ Annually Managed Expenditure	163.8	166.3	177.2	183.6	20.8	20.5	21.3	21.5
+ Budget 2000 Addition				5.9				0.7
= Totally Managed Expenditure	331.0	345.2	370.9	392.1	42.0	42.5	44.6	46.0

Table 12b **General government receipts**

	£ billion				Percentages of Gross Domestic Product			
	Outturn	Forecast		2001/02	Outturn	Forecast		2001/02
	1998/99	1999/00	2000/01		1998/99	1999/00	2000/01	
Income Tax (gross of tax credits)	88.4	95.2	101.0	–	10.3	10.6	10.7	10.8
+ Value Added Tax	52.3	56.7	59.6	–	6.1	6.3	6.3	6.3
+ Corporation Tax	30.0	34.1	33.8	–	3.7	3.5	3.4	3.4
+ Windfall Tax	2.6	0.0	0.0	–	0.3	0.0	0.0	0.0
+ Excise duties	35.7	34.3	37.3	–	4.2	3.8	3.9	3.9
+ Other taxes and royalties	55.4	59.9	63.9	–	6.5	6.6	6.8	6.9
+ Social security contributions	55.1	56.4	58.8	–	6.4	6.3	6.2	6.2
+ Other receipts and accounting adjustments	18.2	22.6	26.2	–	2.1	2.6	2.8	2.6
= Current receipts	335.9	356.2	375.6	395.0	39.2	39.6	39.7	39.9

Table 12c **Public sector budgets and borrowing**

	£ billion							Percentages of Gross Domestic Product						
	Outturn	Estimate	Forecasts					Outturn	Estimate	Forecasts				
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Current receipts	335.9	356.2	376.0	395.0	412.0	428.0	448.0	39.2	39.6	39.7	39.9	39.8	39.4	39.3
– Current expenditure	312.5	325.6	348.0	366.0	384.0	404.0	423.0	36.5	36.2	36.8	37.1	37.2	37.2	37.2
– Depreciation	13.6	14.1	14.0	15.0	15.0	16.0	17.0	1.6	1.6	1.5	1.5	1.5	1.5	1.5
= Current budget surplus (deficit)	9.8	16.5	13.0	14.0	13.0	8.0	8.0	1.1	1.8	1.4	1.5	1.2	0.8	0.7
Gross capital investment	22.8	24.1	26.0	30.0	35.0	39.0	41.0	2.7	2.7	2.8	3.0	3.4	3.6	3.6
– Asset sales	4.3	4.5	4.0	4.0	4.0	4.0	4.0	0.5	0.5	0.4	0.4	0.4	0.3	0.3
– Depreciation	13.6	14.1	14.0	15.0	15.0	16.0	17.0	1.6	1.6	1.5	1.5	1.5	1.5	1.5
= Net capital investment	5.0	5.5	8.0	11.0	16.0	20.0	20.0	0.6	0.6	0.9	1.2	1.5	1.5	1.5
Public Sector Net Borrowing	- 4.9	- 11.0	- 5.0	- 3.0	3.0	11.0	13.0	- 0.6	- 1.2	- 0.5	- 0.3	0.3	1.0	1.1
General Government Net Borrowing ¹	- 5.1	- 11.4	- 5.0	- 3.0	3.0	12.0	13.0	- 0.6	- 1.3	- 0.6	- 0.3	0.3	1.1	1.2
General Government Gross Debt	403	397	397	398	406	422	440	47.0	44.1	42.0	40.2	39.1	38.9	38.7

Source: Various tables, Financial Statement and Budget Report 2000, HM Treasury, The Stationery Office 2000, and HM Treasury.

Note: 1. General Government Net Borrowing as defined by ESA 95 accounting conventions. This measure replaces the General Government Financial Deficit (GGFD).

Table 13 Government expenditure and borrowing in cash and real terms, and as a percentage of Gross Domestic Product

£ billion

	1970/71	1975/76	1980/81	1985/86	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Components of public expenditure																
Public sector current expenditure	16.9	43.8	93.6	148.1	201.5	226.7	246.6	260.8	274.0	286.2	297.5	305.0	312.5	325.6	348.2	365.8
+ Depreciation	1.9	4.8	10.5	11.8	13.5	12.0	11.6	11.6	12.3	13.3	13.3	13.1	13.6	14.1	14.5	15.0
+ Public Sector Net Investment	3.4	6.4	4.7	4.8	8.4	11.4	12.9	10.9	10.4	9.7	5.2	4.6	5.0	5.5	8.2	11.4
= Total Managed Expenditure (TME)	22.2	55.0	111.5	164.7	223.4	250.1	271.1	283.4	296.7	309.1	316.0	322.7	331.0	345.2	370.9	392.1
General Government Expenditure (GGE)	21.6	53.2	108.5	157.3	216.4	240.5	262.5	277.8	289.4	304.3	308.9	318.7	328.4	342.4	369.9	391.5
Public expenditure at 1997/98 prices																
Total Managed Expenditure	195.4	255.2	261.3	284.4	287.7	303.2	318.2	324.1	334.5	338.7	335.4	333.3	331.0	336.8	353.9	365.0
General Government Expenditure	190.0	246.8	254.3	271.5	278.7	291.7	308.1	317.6	326.3	333.5	327.9	329.1	328.4	334.0	352.9	364.5
Public sector borrowing and debt																
Public Sector Net Borrowing (PSNB)	- 0.3	7.8	10.9	8.4	4.0	21.3	47.5	50.8	43.3	35.1	27.7	7.4	- 4.9	- 11.0	- 5	- 3
General Government Net Borrowing (GGNB)	- 1.1	5.3	8.5	9.2	7.0	20.8	46.5	50.7	45.0	36.5	29.2	7.6	- 5.1	- 11.4	- 5	- 3
General Government Gross Debt (GGD)	40.9	67.6	127.5	189.2	189.7	205.3	249.3	299.3	340.4	377.3	399.8	404.5	403.2	396.8	397	398
Gross Domestic Product (GDP)																
Cash GDP	52.6	110.3	235.6	361.4	562.7	589.8	612.6	647.2	685.9	722.4	766.4	814.5	856.7	900	945	990
GDP at 1997/98 prices	461.4	510.6	551.8	624.2	725.1	715.8	719.0	739.7	773.3	792.1	813.6	841.4	856.7	878	902	922
GDP deflator index	11.4	21.6	42.7	57.9	77.6	82.4	85.2	87.5	88.7	91.2	94.2	96.8	100.0	102.5	104.8	107.4
Public spending measures as a percentage of Gross Domestic Product																
Total Managed Expenditure	42.2	49.9	47.3	45.6	39.7	42.4	44.2	43.8	43.3	42.8	41.4	39.6	38.6	38.3	39.2	39.6
General Government Expenditure	41.0	48.2	46.1	43.5	38.5	40.8	42.8	42.9	42.2	42.1	40.3	39.1	38.3	38.0	39.1	39.5
Public Sector Net Borrowing	- 0.5	7.1	4.6	2.4	0.7	3.6	7.8	7.8	6.3	4.9	3.6	1.2	- 0.3	- 1.3	0.5	0.3
General Government Net Borrowing	- 2.0	4.8	3.7	2.6	1.3	3.5	7.6	7.8	6.6	5.1	3.8	0.9	- 0.6	- 1.3	0.5	0.3
General Government Gross Debt	77.7	59.5	53.6	49.6	33.3	34.6	40.5	46.1	49.5	52.2	52.2	49.6	47.0	44.1	42.0	40.2

Sources: Public Expenditure Cm 4601, HM Treasury March 2000, Economic and Fiscal Strategy Report and Financial Statement and Budget Report, HM Treasury March 2000, Financial Statistics, HM Treasury.

Note: Estimated borrowing and GDP forecasts for 1999/00 onwards are given to the nearest £ billion.

Table 14 **Public sector capital expenditure***£ billion*

	1980/81	1985/86	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Central government	3.4	5.5	9.6	10.3	10.9	10.6	9.5	8.9	6.9	6.9	7.0	7.9
+ Local government	4.1	4.8	5.9	7.0	7.2	6.0	6.8	7.2	5.8	5.5	5.7	5.5
= General government	7.5	10.2	15.5	17.3	18.0	16.6	16.3	16.1	12.8	12.2	12.7	13.4
+ Public corporations	7.3	5.7	5.2	4.3	5.5	4.9	5.0	5.2	3.7	3.7	3.7	3.6
= Total public sector capital expenditure	14.8	15.9	20.7	21.6	23.5	21.5	21.3	21.3	16.5	15.9	16.4	17.0
Total public sector capital expenditure at 1998/99 prices	34.7	27.5	26.7	26.2	27.6	24.6	24.0	23.4	17.5	16.4	16.4	16.6
Total public sector capital expenditure as a % of GGE	13.6	10.1	9.6	9.0	9.0	7.7	7.4	7.0	5.3	5.0	5.0	5.0
Total public sector capital expenditure as a % of GDP	6.3	4.4	3.7	3.7	3.8	3.3	3.1	2.9	2.2	2.0	1.9	1.9

Source: HM Treasury, Public Expenditure Cms 2821, 3201, 3601, 3901, 4201 & 4601.

Note: Capital expenditure is shown net of receipts from the sale of physical assets.

Table 15a **General Government Expenditure by function**

£ billion

	1980/81 ¹	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimated	1999/00 % of total expenditure
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
Social security	24.2	43.2	46.3	48.4	49.6	52.6	58.9	70.0	79.2	86.5	88.8	92.8	96.5	97.4	99.5	103.6	33.9
Health & personal social services	14.0	20.5	22.1	24.3	26.8	29.3	32.8	37.1	40.7	42.8	48.1	51.1	53.2	55.8	58.9	64.2	21.0
Education	12.8	16.8	18.5	20.3	21.9	24.4	26.3	29.1	31.4	33.1	34.7	35.6	36.1	37.2	38.4	41.1	13.4
Defence	11.5	18.0	18.2	18.7	19.0	20.6	21.5	22.7	22.7	22.6	22.4	21.6	21.3	20.9	22.6	23.0	7.5
Law, order & protective services	4.0	6.6	7.2	8.1	9.0	10.2	11.5	13.0	14.2	14.8	15.4	15.7	16.2	16.9	17.4	19.1	6.2
Trade, industry, energy & employment	4.8	8.0	8.0	6.6	8.0	7.6	8.8	9.3	9.8	10.1	9.6	9.2	8.9	8.7	9.0	10.0	3.3
Other environmental services	3.8	3.9	4.6	4.8	4.9	5.9	6.6	7.3	7.8	7.5	8.1	8.5	8.2	8.4	8.5	9.2	3.0
Transport	4.3	6.8	6.7	6.7	6.9	8.0	9.7	10.9	12.6	11.7	12.1	11.5	10.0	9.1	8.6	8.8	2.9
Culture, media & sport	1.0	1.7	1.8	2.0	2.2	2.6	2.8	2.9	3.0	3.0	3.3	3.5	3.7	4.2	4.9	5.3	1.7
Agriculture, fisheries, food & forestry	1.6	2.9	2.2	2.4	2.2	2.2	2.9	3.1	3.2	4.1	3.7	4.2	6.1	5.2	5.1	5.0	1.6
HOUSING	5.6	4.2	4.1	4.2	3.3	5.2	4.9	5.8	6.3	5.3	5.3	5.1	4.6	3.7	3.7	3.6	1.2
Overseas services & aid	1.3	1.6	1.7	1.7	2.0	2.2	2.4	2.7	3.0	3.1	3.2	3.3	3.0	2.9	3.2	3.4	1.1
Central administration etc. ²	3.0	4.7	5.4	6.6	6.2	8.4	8.5	6.0	8.3	8.4	7.5	9.9	8.3	8.5	10.2	9.8	3.2
Total expenditure on services	92.0	139.0	146.9	154.8	162.0	179.2	197.6	219.9	242.2	253.1	262.1	272.0	276.1	278.9	290.1	306.0	100.0
+ General government net debt interest	–	19.1	19.0	19.9	20.3	20.9	20.4	18.4	19.0	20.7	23.5	26.7	28.1	30.0	29.6	25.6	–
+ Other accounting adjustments	–	6.6	4.8	5.9	5.5	6.7	5.4	11.8	9.9	9.6	11.0	10.4	11.8	13.8	11.4	15.1	–
+ Allowance for shortfall															– 1.6		
= Total Managed Expenditure	111.5	164.7	170.7	180.6	187.8	206.8	223.4	250.1	271.1	283.4	296.7	309.1	316.0	322.7	331.0	345.2	–
General Government Expenditure	108.5	158.6	164.6	173.6	179.9	200.9	218.2	236.2	260.6	277.8	289.4	304.3	308.9	318.7	328.4	342.4	–

Sources: Public Expenditure, Cms 4601, HM Treasury 2000, Tables 4.2 & 4.5, additional data HM Treasury

Notes: 1. The 1980/81 figures for expenditure on services are derived from earlier public expenditure plans, and figures for the adjustments between total expenditure on services and Total Managed Expenditure are not available.

2. Includes contributions to the European Communities and activities required for the general maintenance of government, such as tax collection and the registration of population.

Table 15b **General Government Expenditure by function in real terms²**

£ billion 1998/99 prices

	1980/81 ¹	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996-/97	1997/98	1998/99	1999/00 estimated	Real growth 1980/81 to 1999/00 %
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
Culture, media & sport	2.3	2.9	3.0	3.2	3.3	3.6	3.6	3.5	3.5	3.4	3.7	3.8	3.9	4.3	4.9	5.2	120.8
Law, order & protective services	9.4	11.4	12.1	12.9	13.4	14.2	14.8	15.8	16.7	16.9	17.4	17.2	17.2	17.5	17.4	18.6	98.9
Health & personal social services	32.8	35.4	37.0	38.6	39.9	40.7	42.3	45.0	47.8	48.9	54.2	56.0	56.5	57.6	58.9	62.6	91.0
Social security	56.7	74.6	77.6	76.9	73.8	73.1	75.9	85.0	93.0	98.9	100.1	101.8	102.4	100.6	99.5	101.1	78.3
Education	30.0	29.0	31.0	32.3	32.6	33.9	33.9	35.3	36.9	37.8	39.1	39.0	38.3	38.4	38.4	40.1	33.8
Agriculture, fisheries, food & forestry	3.7	5.0	3.7	3.8	3.3	3.1	3.7	3.8	3.8	4.7	4.2	4.6	6.5	5.4	5.1	4.9	30.2
Overseas services & aid	3.0	2.8	2.8	2.7	3.0	3.1	3.1	3.3	3.5	3.5	3.6	3.6	3.2	3.0	3.2	3.3	9.0
Other environmental services	8.9	6.7	7.7	7.6	7.3	8.2	8.5	8.9	9.2	8.6	9.1	9.3	8.7	8.7	8.5	9.0	0.9
Trade, industry, energy & employment	11.2	13.8	13.4	10.5	11.9	10.6	11.3	11.3	11.5	11.5	10.8	10.1	9.4	9.0	9.0	9.8	-13.2
Transport	10.1	11.7	11.2	10.7	10.3	11.1	12.5	13.2	14.8	13.4	13.6	12.6	10.6	9.4	8.6	8.6	-14.7
Defence	26.9	31.1	30.5	29.7	28.3	28.6	27.7	27.5	26.6	25.8	25.3	23.7	22.6	21.6	22.6	22.4	-16.7
HOUSING	13.1	7.3	6.9	6.7	4.9	7.2	6.3	7.0	7.4	6.1	6.0	5.6	4.9	3.8	3.7	3.5	-73.2
Central administration etc.	7.0	8.1	9.0	10.5	9.2	11.7	11.0	7.3	9.7	9.6	8.5	10.9	8.8	8.8	10.2	9.6	36.1
Total expenditure on services	215.5	240.1	246.1	246.1	241.1	248.9	254.6	266.9	284.3	289.3	295.5	298.2	293.1	288.1	290.1	298.5	38.6
+ General government net debt interest	-	33.0	31.8	31.6	30.2	29.0	26.3	22.3	22.3	23.7	26.5	29.3	29.8	31.0	29.6	25.0	-
+ Other accounting adjustments	-	11.4	8.0	9.4	8.2	9.3	7.0	14.3	11.6	11.0	12.4	11.4	12.5	14.3	11.4	14.7	-
+ Allowance for shortfall																- 1.5	-
= Total Managed Expenditure	261.1	284.5	285.9	287.1	279.5	287.2	287.9	303.5	318.2	323.9	334.5	338.9	335.5	333.4	331.0	336.8	29.0
General Government Expenditure	254.1	273.9	275.7	276.0	267.7	279.0	281.2	286.7	305.9	317.5	326.3	333.7	327.9	329.2	328.4	334.0	31.5

Sources: As Table 15a.

Note: 1. See Table 15a.

2. Cash figures adjusted to 1998/99 price levels by excluding the effect of general inflation.

Table 16a Departmental Expenditure Limits (DEL)

£ million

Department	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 estimated outturn	2000/01 plans	2001/02 plans
Health	29,762	31,595	32,951	33,763	35,297	37,376	40,759	45,030	48,840
DETR – Local Government & Regional Policy	29,375	29,897	30,294	31,315	31,372	32,737	34,199	35,353	36,622
Defence	22,757	22,562	21,517	21,383	20,910	22,475	22,863	22,820	22,981
Education & employment	13,378	14,198	14,181	14,235	14,777	14,326	15,870	18,356	19,257
DETR – Main programmes	12,182	11,588	9,626	9,664	9,606	8,998	10,310	10,838	11,881
of which Housing and Construction	3,609	3,027	2,615	2,458	2,051	2,253	2,444	3,053	3,576
Home Office	5,862	6,161	6,382	6,436	6,730	7,104	7,774	8,090	8,105
Trade & industry	4,683	3,895	3,432	3,333	3,084	2,916	3,363	3,658	3,579
Social security (Administration)	3,409	3,188	3,289	3,401	3,229	2,944	3,294	3,208	3,261
Chancellor's departments	2,939	2,739	2,799	2,750	2,751	3,141	3,606	3,521	3,698
International development	2,081	2,237	2,197	2,096	1,999	2,319	2,511	2,751	3,060
Legal departments	2,370	2,542	2,638	2,627	2,641	2,680	2,764	2,867	2,752
Cabinet Office	1,054	1,219	1,475	1,424	1,210	1,248	1,391	1,343	1,305
Agriculture, fisheries & food	853	875	892	2,174	1,692	1,362	1,415	1,215	1,187
Foreign & Commonwealth	1,244	1,257	1,333	1,053	1,076	1,094	1,179	1,116	1,136
Culture, media & sport	976	968	1,014	955	903	917	1,022	1,015	1,100
Scotland	12,174	13,021	13,130	13,100	12,946	12,984	14,039	14,876	15,496
Wales	5,946	6,208	6,346	6,474	6,499	6,675	7,225	7,694	8,061
Northern Ireland	5,004	5,141	5,246	5,356	5,462	5,595	5,976	6,227	6,252
Welfare to work ¹					144	536	850	1,420	1,340
Invest to save									69
Capital Modernisation Fund								176	378
Reserve								2,100	2,300
Allowance for shortfall							- 1,500		
Departmental Expenditure Limits	156,033	159,293	158,744	161,538	162,329	167,428	178,900	193,700	202,600

Source and Notes: See Table 16b.

Table 16b **Annually Managed Expenditure (AME)***£ million*

Department	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 estimated outturn	2000/01 plans	2001/02 plans
Social security (benefits)	79,974	82,497	86,077	89,750	91,007	93,360	97,079	99,552	104,501
Housing Revenue Account Subsidies	4,359	4,356	4,238	4,184	3,980	3,521	3,376	3,344	3,294
Net payments to EC institutions ²	1,877	1,253	3,355	1,802	2,153	3,572	2,579	2,690	2,457
Common agricultural policy	2,607	2,225	2,640	2,928	2,473	2,718	2,552	2,489	2,616
Export Credits Guarantee Department	65	- 42	- 22	71	94	- 170	931	302	343
Locally financed expenditure	9,290	11,563	13,923	14,277	15,605	16,122	17,166	18,077	19,106
Self financing public corporations	- 722	- 673	- 243	60	- 294	- 304	201	1,997	- 67
Net public service pensions	3,829	3,886	4,271	4,979	5,353	4,663	5,629	5,719	5,649
National Lottery		20	170	520	1,090	1,630	2,000	2,300	2,028
Central government debt interest	20,336	23,083	26,452	27,987	29,975	29,542	25,482	27,770	27,121
Accounting & other adjustments	5,798	9,193	9,497	7,868	8,970	8,919	9,332	13,749	14,542
AME margin								1,000	2,000
Total Annually Managed Expenditure	127,412	137,361	150,357	154,425	160,406	163,574	166,300	177,200	183,600
+ Departmental Expenditure Limits	156,033	159,293	158,744	161,538	162,329	167,428	178,900	193,700	202,600
= Total Managed Expenditure (TME)	283,445	296,654	309,100	315,963	322,735	331,001	345,200	370,900	392,100

Sources: Public Expenditure, Cm 4201 (1993/94 figures) & Cm 4601 (1994/95 and later), HM Treasury; additional figures from HM Treasury.

Notes: 1. Expenditure financed by the Windfall Tax.

2. Excludes cost of EC aid to non-member states, which is included in the aid programme.

Section 3 Compendium of tables

Dwellings, stock condition and households

Table 17a **Dwellings by tenure in England, Scotland and Wales***Thousands*

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
England																
Owner-occupiers	8,489	9,568	10,499	11,929	12,264	12,648	12,971	13,171	13,358	13,436	13,563	13,685	13,776	13,883	14,017	14,173
+ Privately rented			2,044	1,953	1,899	1,848	1,849	1,906	1,967	2,033	2,079	2,138	2,218	2,277	2,305	2,320
	3,128	2,619														
+ Housing association			422	495	512	534	567	613	621	678	740	819	902	959	1,026	1,039
+ Local authority	4,593	4,990	5,061	4,504	4,403	4,254	4,081	3,944	3,844	3,790	3,702	3,598	3,503	3,428	3,351	3,309
= All dwellings	16,210	17,177	18,025	18,882	19,078	19,284	19,468	19,634	19,790	19,937	20,085	20,240	20,399	20,549	20,699	20,842
Wales																
Owner-occupiers	540	603	682	752	782	804	828	840	845	855	862	868	878	885	892	899
+ Privately rented			103	98	93	90	87	91	98	99	100	102	103	105	106	107
	151	131														
+ Housing association			12	19	20	21	23	24	30	33	37	41	43	46	49	50
+ Local authority	276	295	293	258	253	244	232	226	219	215	212	210	207	205	202	201
= All dwellings	967	1,029	1,089	1,127	1,148	1,159	1,170	1,181	1,192	1,202	1,211	1,221	1,231	1,241	1,249	1,257
Scotland																
Owner-occupiers	569	645	718	884	922	972	1,033	1,088	1,132	1,176	1,217	1,258	1,293	1,327	1,367	1,401
+ Privately rented			191	154	147	139	133	126	154	154	154	155	155	154	154	154
	305	234														
+ Housing association			36	50	54	59	62	65	57	62	67	77	91	99	115	121
+ Local authority	948	1,042	1,027	962	943	914	877	845	816	783	755	721	691	668	631	607
= All dwellings	1,822	1,921	1,970	2,050	2,067	2,084	2,104	2,124	2,160	2,175	2,193	2,211	2,230	2,248	2,268	2,284

Table 17c **Dwellings by tenure in Great Britain, Northern Ireland and the United Kingdom***Thousands*

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Great Britain																
Owner-occupiers	9,598	10,816	11,898	13,565	13,968	14,424	14,832	15,099	15,336	15,466	15,642	15,813	15,947	16,098	16,276	16,473
+ Privately rented			2,337	2,205	2,139	2,077	2,069	2,123	2,219	2,286	2,333	2,395	2,476	2,536	2,565	2,581
	3,584	2,984														
+ Housing association			469	564	586	614	652	702	708	773	844	937	1,036	1,104	1,190	1,210
+ Local authority	5,817	6,327	6,380	5,724	5,599	5,412	5,190	5,015	4,878	4,788	4,669	4,528	4,401	4,301	4,184	4,117
= All dwellings	18,999	20,127	21,085	22,058	22,293	22,527	22,742	22,939	23,142	23,313	23,489	23,672	23,860	24,038	24,216	24,383
Northern Ireland																
Owner-occupiers	-	-	271	328	316	323	336	348	354	364	375	390	389	399	412	425
+ Privately rented	-	-	38	26	21	20	20	20	19	20	20	20	21	22	25	26
+ Housing association	-	-	3	6	7	8	9	9	10	11	12	12	13	14	15	15
+ Local authority	-	-	190	180	169	169	166	160	158	156	153	148	145	140	135	131
= All dwellings	-	-	502	540	512	519	530	537	540	549	559	570	567	575	586	596
United Kingdom																
Owner-occupiers	-	-	12,169	13,893	14,284	14,747	15,168	15,447	15,690	15,830	16,017	16,203	16,336	16,496	16,688	16,898
+ Privately rented	-	-	2,375	2,231	2,160	2,097	2,089	2,143	2,238	2,306	2,353	2,415	2,497	2,558	2,590	2,607
+ Housing association	-	-	472	570	593	622	661	711	718	784	856	949	1,049	1,118	1,205	1,225
+ Local authority	-	-	6,570	5,904	5,768	5,581	5,356	5,175	5,036	4,944	4,822	4,676	4,546	4,441	4,319	4,248
= All dwellings	-	-	21,586	22,598	22,805	23,046	23,272	23,476	23,682	23,862	24,048	24,242	24,427	24,613	24,802	24,979

Table 17d Dwellings by tenure in Great Britain, Northern Ireland and the United Kingdom

Percentages

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Great Britain																
Owner-occupiers	50.5	53.7	56.4	61.5	62.7	64.0	65.2	65.8	66.3	66.3	66.6	66.8	66.8	67.0	67.2	67.6
+ Privately rented			11.1	10.0	9.6	9.2	9.1	9.3	9.6	9.8	9.9	10.1	10.4	10.5	10.6	10.6
	18.9	14.8														
+ Housing association			2.2	2.6	2.6	2.7	2.9	3.1	3.1	3.3	3.6	4.0	4.3	4.6	4.9	5.0
+ Local authority	30.6	31.4	30.3	25.9	25.1	24.0	22.8	21.9	21.1	20.5	19.9	19.1	18.4	17.9	17.3	16.9
= All dwellings	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Northern Ireland																
Owner-occupiers	–	–	54.0	60.7	62.1	62.8	64.0	64.8	65.6	66.8	67.1	68.4	68.6	69.4	70.3	71.3
+ Privately rented	–	–	7.6	4.8	4.3	4.1	4.0	3.9	3.5	3.6	3.6	3.5	3.7	3.8	4.3	4.4
+ Housing association	–	–	0.5	1.1	1.4	1.5	1.5	1.7	1.9	1.8	2.1	2.1	2.3	2.4	2.6	2.5
+ Local authority	–	–	37.9	33.4	33.0	32.6	30.5	29.8	29.3	28.4	27.4	26.0	25.6	24.3	23.0	22.0
= All dwellings	–	–	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
United Kingdom																
Owner-occupiers	–	–	56.4	61.5	62.6	64.0	65.2	65.8	66.3	66.3	66.6	66.8	66.9	67.0	67.3	67.6
+ Privately rented	–	–	11.0	9.9	9.5	9.1	9.0	9.1	9.5	9.7	9.8	10.0	10.2	10.4	10.4	10.4
+ Housing association	–	–	2.2	2.5	2.6	2.7	2.8	3.0	3.0	3.3	3.6	3.9	4.3	4.5	4.9	4.9
+ Local authority	–	–	30.4	26.1	25.3	24.2	23.0	22.0	21.4	20.7	20.1	19.3	18.6	18.0	17.4	17.0
= All dwellings	–	–	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Housing and Construction Statistics (various editions), Scottish Office, Welsh Office.

Notes: All figures are for the December of the year shown. Owner-occupiers includes shared owners and long leaseholders. Private renting includes renting with a job or business. Local authority tenants includes new town tenants.

Table 18 **Gross fixed capital formation in dwellings***£ million*

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Private sector	841	2,182	6,115	9,683	16,867	15,577	16,246	17,124	18,285	18,784	20,467	22,380	24,451	26,219
+ Public sector	802	1,964	2,559	2,536	4,181	2,762	2,579	2,768	2,948	2,804	2,299	1,903	1,844	2,131
= Whole economy	1,643	4,146	8,674	12,219	21,048	18,339	18,825	19,892	21,233	21,588	22,766	24,283	26,295	28,350
Gross Domestic Product (£ billion)	51.2	105.0	229.6	354.2	554.5	582.9	606.6	637.8	676.0	712.5	754.6	800.9	837.6	889.9
Gross fixed capital formation in dwellings as a percentage of Gross Domestic Product	3.2	3.9	3.8	3.4	3.8	3.1	3.1	3.1	3.1	3.0	3.0	3.1	3.1	3.2

Sources: UK National Accounts, Economic Trends and Office for National Statistics.

Note: All figures at current market prices.

Table 19a Housing starts in England

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	100,709	110,335	27,869	18,076	16,199	15,326	12,704	12,489	6,533	2,798	1,470	1,156	447	579	492	310	113	183
+ New towns	9,065	14,968	5,541	567	472	137	-	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	2,461	654	224	175	305	517	443	392	108	260	131	42	3	13	-	-	-	-
= Total public sector	112,235	125,957	33,634	18,818	16,976	15,980	13,147	12,881	6,641	3,058	1,601	1,198	450	592	492	310	113	183
+ Housing associations	8,111	18,768	13,154	10,362	11,234	9,922	10,829	11,600	14,111	16,437	28,111	33,574	33,585	25,232	22,629	21,207	17,615	16,257
+ Private sector	148,318	129,777	84,123	144,301	158,894	174,888	195,972	141,902	112,717	114,305	99,586	116,458	131,401	110,409	121,590	135,519	130,980	129,685
= All dwellings	268,664	274,502	130,911	173,481	187,104	200,790	219,948	166,383	133,469	133,800	129,298	151,230	165,436	136,233	144,711	157,036	148,708	146,125

Table 19b Housing completions in England

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	118,943	103,403	67,337	22,483	18,773	15,591	15,731	14,012	13,873	8,051	3,274	1,402	1,094	782	511	290	259	79
+ New towns	9,245	11,487	6,973	703	660	435	163	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	1,993	1,435	525	98	232	597	233	690	142	75	235	20	-	5	-	-	-	-
= Total public sector	130,181	116,325	74,835	23,284	19,665	16,623	16,127	14,702	14,015	8,126	3,509	1,422	1,094	787	511	290	259	79
+ Housing associations	8,176	13,652	19,299	11,298	10,624	10,935	10,784	10,651	13,821	15,295	20,789	29,779	30,848	30,888	27,025	20,871	19,942	17,523
+ Private sector	153,436	131,481	110,232	135,457	148,896	161,738	176,018	154,003	136,063	131,174	119,533	116,634	122,699	125,466	121,550	127,943	121,777	122,296
= All dwellings	291,793	261,458	204,366	170,039	179,185	189,296	202,929	179,356	163,899	154,595	143,831	147,835	154,641	157,141	149,086	149,104	141,378	139,898

Table 19c **Housing starts in Wales**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	4,849	8,294	2,343	770	742	909	658	501	338	174	261	75	180	45	25	3	58	-
+ New towns	155	705	96	121	-	-	58	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	24	74	7	2	1	2	6	-	-	1	-	-	-	-	-	-	-	-
= Total public sector	5,028	9,073	2,446	893	743	911	722	501	338	175	261	75	180	45	25	3	58	-
+ Housing associations	105	279	384	579	507	1,014	1,583	1,612	2,216	2,496	2,658	3,210	2,964	2,416	2,124	1,575	1,022	870
+ Private sector	8,612	7,386	5,033	7,232	7,151	8,782	10,727	9,951	7,654	6,724	5,998	7,312	7,514	6,762	6,699	7,498	7,397	8,435
= All dwellings	13,745	16,738	7,863	8,704	8,401	10,707	13,032	12,064	10,208	9,395	8,917	10,597	10,658	9,223	8,848	9,076	8,477	9,305

Table 19d **Housing completions in Wales**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	6,513	7,332	3,493	992	744	810	793	566	610	418	133	172	227	176	59	1	30	-
+ New towns	173	635	209	81	126	-	-	58	-	-	-	-	-	-	-	-	-	-
+ Government departments	66	94	2	2	-	2	1	6	-	-	1	-	-	-	-	-	-	-
= Total public sector	6,752	8,061	3,704	1,075	870	812	794	630	610	418	134	172	227	176	59	1	30	-
+ Housing associations	73	275	917	607	534	467	719	1,663	1,685	2,463	2,460	2,955	2,975	2,542	2,557	2,124	1,472	823
+ Private sector	8,648	8,900	5,932	6,563	7,169	8,119	9,679	9,303	8,111	7,262	7,055	6,621	7,367	7,083	7,728	6,766	6,381	7,177
= All dwellings	15,473	17,236	10,553	8,245	8,573	9,398	11,192	11,596	10,406	10,143	9,649	9,757	10,569	9,812	10,350	8,891	7,883	8,000

Table 19e Housing starts in Scotland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	25,714	14,938	4,281	2,017	2,251	2,598	2,006	1,046	913	901	429	503	568	380	124	42	50
+ New towns	2,014	3,683	1,155	190	141	374	495	680	720	134	395	429	208	127	-	-	-
+ Government departments	289	493	5	59	259	40	-	64	5	-	-	-	-	-	-	-	-
= Total public sector	28,017	19,114	5,441	2,266	2,651	3,012	2,501	1,790	1,638	1,035	824	932	776	507	124	42	50
+ Housing associations	347	592	1,261	1,487	1,414	1,988	2,068	2,748	2,111	3,448	3,051	5,020	4,879	5,400	4,664	3,568	3,626
+ Private sector	8,141	11,965	9,681	14,095	14,574	13,085	15,037	18,083	16,695	15,679	14,606	16,598	19,449	17,060	16,522	19,108	16,496
= All dwellings	36,505	31,671	16,383	17,848	18,639	18,085	19,606	22,621	20,444	20,162	18,481	22,550	25,104	22,967	21,310	22,718	20,172

Table 19f Housing completions in Scotland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	31,570	19,148	6,167	2,610	2,030	2,388	2,473	1,874	1,203	1,182	734	502	548	499	258	108	86
+ New towns	2,790	3,636	1,288	201	157	107	257	409	666	550	276	456	113	674	-	-	-
+ Government departments	302	402	33	17	114	139	85	-	69	-	-	-	-	-	-	-	-
= Total public sector	34,662	23,186	7,488	2,828	2,301	2,634	2,815	2,283	1,938	1,732	1,010	958	661	1,173	258	108	86
+ Housing associations	244	766	881	1,148	1,466	1,169	1,278	1,620	1,963	2,264	3,044	2,723	2,990	5,003	2,683	4,507	1,967
+ Private sector	8,220	10,371	12,242	14,435	14,870	13,904	14,179	16,287	16,461	15,533	14,389	17,711	17,753	18,310	18,462	17,821	18,342
= All dwellings	43,126	34,323	20,611	18,411	18,637	17,707	18,272	20,190	20,362	19,529	18,443	21,392	21,404	24,486	21,404	22,436	20,395

Table 19g **Housing starts in Great Britain**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	131,272	133,567	34,493	20,863	19,192	18,833	15,368	14,036	7,784	3,873	2,160	1,734	1,195	1,004	641	355	221
+ New towns	11,234	19,356	6,792	878	613	511	553	680	720	134	395	429	208	127	-	-	-
+ Government departments	2,774	1,221	236	236	565	559	449	456	113	261	131	42	3	13	-	-	-
= Total public sector	145,280	154,144	41,521	21,977	20,370	19,903	16,370	15,172	8,617	4,268	2,686	2,205	1,406	1,144	641	355	221
+ Housing associations	8,563	19,639	14,799	12,428	13,155	12,924	14,480	15,960	18,438	22,381	33,820	41,804	41,428	33,048	29,417	26,350	22,263
+ Private sector	165,071	149,128	98,837	165,628	180,619	196,755	221,736	169,938	137,066	136,708	120,190	140,368	158,364	134,231	144,811	162,125	154,873
= All dwellings	318,914	322,911	155,157	200,033	214,144	229,582	252,586	201,070	164,121	163,357	156,696	184,377	201,198	168,423	174,869	188,830	177,357

Table 19h **Housing completions in Great Britain**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	157,026	129,883	76,997	26,085	21,547	18,789	18,997	16,452	15,686	9,651	4,141	2,076	1,869	1,457	828	399	375
+ New towns	12,208	15,758	8,470	985	943	542	420	467	666	550	276	456	113	674	-	-	-
+ Government departments	2,361	1,931	560	117	346	738	319	696	211	75	236	20	-	5	-	-	-
= Total public sector	171,595	147,572	86,027	27,187	22,836	20,069	19,736	17,615	16,563	10,276	4,653	2,552	1,982	2,136	828	399	375
+ Housing associations	8,493	14,693	21,097	13,053	12,624	12,571	12,781	13,934	17,469	20,022	26,293	35,457	36,813	38,433	32,265	27,502	23,381
+ Private sector	170,304	150,752	128,406	156,455	170,935	183,761	199,876	179,593	160,635	153,969	140,977	140,966	147,819	150,859	147,740	152,530	146,500
= All dwellings	350,392	313,017	235,530	196,695	206,395	216,401	232,393	211,142	194,667	184,267	171,923	178,984	186,614	191,439	180,840	180,431	169,656

Table 19i Housing starts in Northern Ireland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Northern Ireland																	
Housing Executive	7,826	6,218	2,901	2,352	1,920	1,596	2,061	927	1,059	999	718	1,132	1,071	994	1,015	817	261
+ Government departments	92	129	11	1	-	9	-	13	-	137	69	-	-	-	-	-	-
= Total public sector	7,918	6,347	2,912	2,353	1,920	1,605	2,061	940	1,059	1,136	787	1,132	1,071	994	1,015	817	261
+ Housing associations	31	2	112	395	625	716	551	496	773	780	684	489	927	810	887	1,094	1,329
+ Private sector	4,083	3,931	3,338	7,199	7,114	7,418	7,228	6,763	5,704	5,531	6,199	7,070	7,689	7,975	8,250	9,115	8,869
= All dwellings	12,032	10,190	6,362	9,947	9,659	9,739	9,840	8,199	7,536	7,447	7,670	8,691	9,687	9,779	10,152	11,024	10,459

Table 19j Housing completions in Northern Ireland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Northern Ireland																	
Housing Executive	7,692	4,885	2,507	3,233	2,580	1,764	1,712	1,708	1,299	953	1,049	810	900	1,305	890	1,075	683
+ Government departments	86	203	56	2	-	-	3	-	15	2	51	18	-	-	-	-	-
= Total public sector	7,778	5,088	2,563	3,235	2,580	1,764	1,715	1,708	1,314	955	1,100	828	900	1,305	853	1,075	683
+ Housing associations	18	55	325	595	535	580	705	664	442	759	702	663	555	737	805	747	813
+ Private sector	4,038	3,776	3,568	6,940	7,082	7,451	7,511	7,911	6,163	5,164	5,913	5,707	5,522	6,790	6,579	8,346	8,581
= All dwellings	11,834	8,919	6,456	10,770	10,197	9,795	9,931	10,283	7,919	6,878	7,715	7,198	6,977	8,832	8,274	10,168	10,077

Note: The 1970 figures for the Northern Ireland Housing Executive include new town starts and completions, before their transfer to the NIHE in 1972 and 1973.

Table 19k **Housing starts in the United Kingdom**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	137,647	139,785	37,394	23,215	21,112	20,429	17,429	14,963	8,843	4,872	2,878	2,866	2,266	1,998	1,656	1,172	482
+ New towns	12,685	19,356	6,792	878	613	511	533	680	720	134	395	429	208	127	-	-	-
+ Government departments	2,866	1,260	247	237	565	568	449	469	113	398	200	42	3	13	-	-	-
= Total public sector	153,198	160,401	44,433	24,330	22,290	21,508	18,431	16,112	9,676	5,404	3,473	3,337	2,477	2,138	1,656	1,172	482
+ Housing associations	8,594	19,641	14,911	12,823	13,780	13,640	15,031	16,456	19,211	23,161	34,504	42,293	42,355	33,858	30,304	27,444	23,592
+ Private sector	169,154	153,059	102,175	172,827	187,733	204,173	228,964	176,701	142,770	142,239	126,389	147,438	166,053	142,206	153,061	171,240	163,742
= All dwellings	330,946	333,101	161,519	209,980	223,803	239,321	262,426	209,269	171,657	170,804	164,366	193,068	210,885	178,202	185,021	199,854	187,816

Table 19l **Housing completions in the United Kingdom**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Local authorities	163,790	134,768	79,504	29,318	24,127	20,553	20,709	18,160	16,985	10,604	5,190	2,886	2,769	2,762	1,718	1,474	1,058
+ New towns	13,136	15,758	8,470	985	943	542	420	467	666	550	276	456	113	674	-	-	-
+ Government departments	2,447	2,134	616	119	346	738	322	696	226	77	287	38	-	5	-	-	-
= Total public sector	179,373	152,660	88,590	30,422	25,416	21,833	21,451	19,323	17,877	11,231	5,753	3,380	2,882	3,441	1,718	1,474	1,058
+ Housing associations	8,511	14,748	21,422	13,648	13,159	13,151	13,486	14,598	17,911	20,781	26,995	36,120	37,368	39,170	33,070	28,249	24,194
+ Private sector	174,342	154,528	131,974	163,395	178,017	191,212	207,387	187,504	166,798	159,133	146,890	146,673	153,341	157,649	154,319	160,876	155,081
= All dwellings	362,226	321,936	241,986	207,465	216,592	226,196	242,324	221,425	202,586	191,145	179,638	186,182	193,591	200,271	189,114	190,599	179,733

Source: Housing and Construction Statistics.

Table 20a Right to Buy in England

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Cumulative total 1980 to 1999
Local authorities	512,876	73,767	84,007	128,566	139,722	92,995	51,414	41,445	41,188	44,999	33,960	31,781	39,875	39,846	50,731	1,407,172
+ New towns	5,614	556	792	1,091	1,332	365	177	166	180	45	1	0	0	0	0	10,319
+ Housing associations	7,990	2,791	2,046	3,323	3,700	3,369	1,871	669	666	831	592	562	0	0	0	28,410
= Total	526,480	77,114	86,845	132,980	144,754	96,729	53,462	42,280	42,034	45,875	34,553	32,343	39,875	39,846	50,731	1,445,901

Table 20b Right to Buy in Wales

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Cumulative total 1980 to 1999
Local authorities	41,736	5,233	5,506	9,386	12,468	6,279	3,382	2,716	2,715	3,008	2,265	2,017	2,562	2,499	3,348	105,120
+ New towns	2,581	102	35	47	58	52	20	32	35	25	26	3	0	0	0	3,016
+ Housing associations	187	85	68	172	227	156	101	75	64	99	78	73	70	114	97	1,666
= Total	44,504	5,420	5,609	9,605	12,753	6,487	3,503	2,823	2,814	3,132	2,369	2,093	2,632	2,613	3,445	109,802

Table 20c **Right to Buy in Scotland**

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Cumulative total 1980 to 1998
Local authorities	52,706	10,251	13,796	22,617	29,180	26,941	18,752	19,825	16,353	17,167	13,073	11,296	15,569	13,569	281,095
+ New towns	6,828	998	1,450	2,137	3,218	2,105	1,304	984	977	1,347	1,282	123	0	0	22,753
+ Housing associations	13,105	2,073	3,348	6,726	6,045	3,489	2,638	2,712	2,457	2,611	2,145	1,715	1,810	1,380	52,254
= Total	72,639	13,322	18,594	31,480	38,443	32,535	22,694	23,521	19,787	21,125	16,500	13,134	17,379	14,949	356,102

Table 20d **Right to Buy in Great Britain**

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Cumulative total 1980 to 1998
Local authorities	607,318	89,251	103,309	160,569	181,370	126,215	73,548	63,986	60,256	65,174	49,298	45,094	58,006	55,914	1,739,308
+ New towns	15,023	1,656	2,277	3,275	4,608	2,522	1,501	1,182	1,192	1,417	1,309	126	0	0	36,088
+ Housing associations	21,282	4,949	5,462	10,221	9,972	7,014	4,610	3,456	3,187	3,541	2,815	2,350	1,880	1,494	82,233
= Total	643,623	95,856	111,048	174,065	195,950	135,751	79,659	68,624	64,635	70,132	53,422	47,570	59,886	57,408	1,857,629

Source: Housing and Construction Statistics.

Notes: Figures include shared ownership sales. Scottish housing association figures include Right to Buy and some voluntary sales by Scottish Homes. 1999 figures for Scotland were not available at the time of the copy deadline for the Review; nor were 1997, 1998 or 1999 figures for housing association Right to Buy sales in England. The latter omissions also affect the total figures for England and Great Britain for those years.

Table 21 Changes in the regional stock of dwellings by tenure

Region	Stock of dwellings (000s)										Percentage change in stock				
	April 1991					December 1998					1991 - 1998				
	Owner-occupied	Private renting	Housing association	Public sector	Total	Owner-occupied	Private renting	Housing association	Public sector	Total	Owner-occupied	Private renting	Housing association	Public sector	Total
North East	624	77	40	332	1,073	705	76	48	292	1,121	13.0	- 1.3	20.0	- 12.0	4.5
Yorkshire & Humberside	1,317	179	47	479	2,021	1,371	257	69	434	2,131	4.1	43.6	46.8	- 9.4	5.4
North West	1,877	222	100	592	2,791	2,010	260	158	529	2,937	7.1	17.1	58.0	- 10.6	5.2
West Midlands	1,387	152	57	484	2,079	1,498	180	113	402	2,194	8.0	18.4	98.2	- 16.9	5.5
East Midlands	1,144	143	34	314	1,634	1,247	168	50	289	1,754	9.0	17.5	47.1	- 8.0	7.3
Eastern	1,480	203	54	357	2,094	1,637	227	100	295	2,259	10.6	11.8	85.2	- 17.4	7.9
Greater London	1,672	388	158	694	2,912	1,706	520	218	596	3,040	2.0	34.0	38.0	- 14.1	4.4
Rest of South East	2,281	328	102	388	3,099	2,469	362	195	278	3,304	8.2	10.4	91.2	- 28.4	6.6
South West	1,422	233	40	273	1,968	1,531	269	88	214	2,102	7.7	15.5	120.0	- 21.6	6.8
England	13,203	1,924	632	3,912	19,671	14,173	2,320	1,039	3,309	20,842	7.3	20.6	64.4	- 15.4	6.0
+ Wales	837	97	28	222	1,184	899	107	50	201	1,257	7.4	10.3	78.6	- 9.5	6.2
+ Scotland	1,101	153	53	838	2,145	1,401	154	121	607	2,284	27.2	0.7	128.3	- 27.6	6.5
= Great Britain	15,141	2,174	713	4,972	23,000	16,473	2,581	1,210	4,117	24,383	8.8	18.7	69.7	- 17.2	6.0
+ Northern Ireland ¹	373	23	9	167	571	425	26	15	131	586	13.9	13.0	66.7	- 21.6	2.6
= United Kingdom	15,514	2,197	722	5,139	23,571	16,898	2,607	1,225	4,248	24,969	8.9	18.7	69.7	- 17.3	5.9

Sources: Housing and Construction Statistics 1987 – 1998, Scottish Office Statistical Bulletin: Housing Series HSG/2000/1.

Notes: Public sector housing comprises local authority, new town and Northern Ireland Housing Executive dwellings.

1. Northern Ireland figure December 1990, rather than April 1991; this is also reflected in the UK total.

Table 22a Households lacking amenities by tenure and territory

Numbers

Tenure	England				Wales				Scotland				Great Britain			
	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.
Outright home-owner	25,251	36,807	3,791	3,103	4,939	7,021	232	199	2,693	1,467	209	223	32,883	45,295	4,232	3,525
Home buyer	4,916	9,085	3,662	3,701	746	1,125	192	182	423	327	219	216	6,085	10,537	4,073	4,099
Furnished private renting	3,883	4,173	74,601	75,691	455	493	3,445	3,405	718	382	2,848	2,787	5,056	5,048	80,894	81,883
Unfurnished private renting	19,438	23,038	10,593	10,486	1,792	1,972	387	389	1,566	520	197	279	22,796	25,530	11,177	11,154
Rented with work	1,563	2,228	3,173	3,232	206	237	335	331	195	155	193	189	1,964	2,620	3,701	3,752
Housing association	1,168	1,777	9,085	6,291	93	160	166	164	72	48	170	159	1,333	1,985	9,421	6,614
Local authority	4,006	10,885	23,137	10,124	255	385	682	332	496	334	647	436	4,757	11,604	24,466	10,892
Total households	60,225	87,993	128,042	112,628	8,486	11,393	5,439	5,002	6,163	3,233	4,483	4,289	74,874	102,619	137,964	121,919

Source: 1991 Census Housing and the Availability of Cars, Table 8.

Table 22b Households lacking amenities by tenure and territory

Percentages within each tenure and territory

Tenure	England				Wales				Scotland				Great Britain			
	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.
Outright home-owner	0.6	0.8	0.1	0.1	1.4	2.0	0.1	0.1	0.8	0.4	0.1	0.1	0.6	0.9	0.1	0.1
Home buyer	0.1	0.1	0.0	0.0	0.2	0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Furnished private renting	0.6	0.6	10.8	11.0	1.4	1.5	10.3	10.2	1.5	0.8	5.8	5.7	0.7	0.7	10.5	10.6
Unfurnished private renting	2.7	3.2	1.5	1.5	5.0	5.5	1.1	1.1	3.2	1.1	0.4	0.6	2.9	3.2	1.4	1.4
Rented with work	0.4	0.6	0.9	0.9	1.1	1.3	1.8	1.8	0.5	0.4	0.5	0.5	0.5	0.6	0.9	0.9
Housing association	0.2	0.3	1.5	1.1	0.4	0.6	0.6	0.6	0.1	0.1	0.3	0.3	0.2	0.3	1.4	1.0
Local authority	0.1	0.3	0.6	0.3	0.1	0.2	0.3	0.2	0.1	0.0	0.1	0.1	0.1	0.2	0.5	0.2
Total households	0.3	0.5	0.7	0.6	0.8	1.0	0.5	0.4	0.3	0.2	0.2	0.2	0.3	0.5	0.6	0.6

Source: 1991 Census Housing and the Availability of Cars, Table 8.

Table 23a English housing conditions: repair costs and unfitnes 1996

Tenure	Estimated cost of remedial repairs			Average cost of remedying unfitnes £	Number of unfit dwellings (000s)
	Urgent repairs	Repairs and replacements	Comprehensive repairs		
	£	£	£		
Owner-occupied	1,250	1,850	3,620	5,498	829
Private rented	2,370	3,250	5,030	5,972	393
Local authority	920	1,200	2,240	3,346	252
Housing association	610	770	1,310	4,506	48
Total stock	1,280	1,830	3,420	3,301	1,522

Source: English House Condition Survey 1996.

Notes: For repair costs vacant dwellings are allocated to tenures. All cost figures are mean averages at 1996 prices.

Table 23b English housing conditions: unfitnes

Tenure	1986		1991		1996		Change in unfitnes	
	(000s)	%	(000s)	%	(000s)	%	1986-1991	1991-1996
							%	%
Owner-occupied	769	6.6	715	5.5	721	5.3	- 7.0	0.8
Private rented	361	25.4	333	20.5	318	17.9	- 7.8	- 4.5
Local authority	281	6.8	265	6.9	227	6.8	- 5.7	- 14.3
Housing association	23	4.9	41	6.7	35	3.9	78.3	- 14.6
Vacant	228	28.1	145	22.7	221	27.7	- 36.4	52.4
Total stock	1,662	8.8	1,498	7.6	1,522	7.5	- 9.9	1.6

Sources: English House Condition Surveys, 1991 & 1996; supplementary data from 1996 survey from DETR.

Table 24a **Welsh housing conditions: unfit and disrepair by tenure 1997/98**

Tenure	Occupied dwellings	Percentage of stock unfit %	Average repair cost per dwelling £	Total cost of repair for tenure £m
Owner-occupied	828,400	7.6	951	788
Private rented	80,900	18.4	1,883	152
Social housing	248,000	8.2	654	162
All occupied dwellings	1,157,300	8.5	953	1,103

Source: 1997/98 Welsh House Condition Survey.

Table 24c **Welsh housing conditions: unfit rates - 1986, 1993 and 1997/98 compared**

Tenure and age of dwelling	Unfitness rates			
	1986 %	Modelled 1993 %	Actual 1993 %	Actual 1997/98 %
Private sector	18.6	12.9	13.0	8.6
Social housing	22.1	14.8	14.4	8.2
Pre-1919	32.0	21.7	21.0	14.9
Post-1919	12.5	9.3	9.7	5.6
Total stock	19.5	13.3	13.3	9.0

Sources: 1993 and 1997/98 Welsh House Condition Surveys.

Notes: Private housing is owner-occupied and private renting; social housing is local authority and housing association. Modelling is needed to compare results because of changes in definition between the 1986 and 1993 surveys.

Table 24b **Welsh housing conditions: unfit and disrepair by age of dwellings 1997/98**

Tenure	Occupied dwellings	Percentage of stock unfit %	Average repair cost per dwelling £	Total cost of repair for tenure £m
Pre-1919	357,100	14.9	1,690	603
1919-1944	170,700	9.2	1,230	210
1944-1964	244,300	7.7	675	165
After 1964	385,200	2.7	322	124
All occupied dwellings	1,157,300	8.5	953	1,103

Source: 1997/98 Welsh House Condition Survey.

Table 24d **Welsh housing conditions: repair costs - 1986, 1993 and 1997/98 compared**

Tenure	Mean repair costs per dwelling			
	Comparable 1986 £	Comparable 1993 £	Full 1993 £	Full 1997/98 £
Owner-occupied	1,378	1,045	1,098	952
Private rented	2,896	2,061	2,190	1,883
Social housing	780	919	934	654
Total	1,314	1,077	1,125	953

Sources: 1993 and 1997/98 Welsh House Condition Surveys.

Notes: Modelling is needed to compare results because of changes in definition between the 1986 and 1993 surveys.

Table 25 **Scottish housing conditions 1996**

Property character	Dwellings below tolerable standard		Dwellings with condensation		Dwellings with dampness		Total occupied stock	
	Number (000s)	% Incidence	Number (000s)	% Incidence	Number (000s)	% Incidence	Number (000s)	% Incidence
Age:								
Pre-1919	15	3.3	109	24	75	17	456	21
1919-1944	3	0.8	75	24	34	11	318	15
1945-1964	2	0.3	139	24	44	8	590	28
Post-1964	1	0.1	125	16	23	3	759	36
Total	21	1.0	448	21	252	8	2,123	100
Tenure:								
Owner-occupied	11	0.9	188	16	72	6	1,200	57
Private rented	7	4.1	52	33	31	20	162	8
Public rented	3	0.5	195	29	70	10	675	32
Housing association and co-op	0	0.2	13	15	4	5	87	4

Source: Scottish House Condition Survey 1996, Scottish Homes 1997.

Table 26a **Renovation grants paid to private owners under the Housing Act 1985 and earlier Acts***Number of grants*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
North	5,923	4,907	8,049	16,842	14,613	7,778	7,048	6,897	7,393	7,354	7,157	1,445	225	122	4	-	-	-	-
Yorkshire & Humberside	9,478	7,667	12,249	25,275	20,763	12,420	10,120	11,801	11,662	13,046	13,872	3,354	217	41	12	1	-	-	-
North West	12,800	12,063	17,725	32,380	35,911	22,311	20,243	19,732	17,195	14,746	13,253	4,297	900	129	113	-	-	-	-
East Midlands	7,930	7,273	11,354	23,864	22,770	11,766	11,178	10,254	11,391	10,625	9,558	2,683	324	52	5	1	-	-	-
West Midlands	6,873	7,122	7,919	17,893	18,889	11,409	10,389	11,755	10,330	11,190	10,720	5,091	735	50	8	-	-	-	-
East Anglia	3,607	3,278	4,796	10,276	10,786	6,712	5,738	6,095	6,234	5,292	4,280	854	86	14	3	3	-	-	-
Greater London	10,460	9,450	12,978	27,269	42,995	30,559	20,759	14,483	13,639	10,437	10,384	3,343	672	124	29	3	-	-	-
Rest of South East	10,751	11,155	18,251	41,310	39,342	22,038	18,234	18,213	18,611	17,317	13,102	3,440	543	92	14	2	-	-	-
South West	6,643	6,026	10,707	24,717	23,038	11,419	9,619	9,678	8,848	8,210	6,754	1,706	177	36	7	-	-	-	-
England	74,465	68,941	104,028	219,826	229,107	136,412	113,328	108,908	105,303	98,217	89,080	26,213	3,879	660	195	10	-	-	-
Wales	7,342	7,100	10,989	27,323	29,978	17,152	18,571	19,097	20,187	20,174	25,112	10,084	1,219	109	155	4	11	-	-
Scotland	13,420	18,036	23,957	45,498	60,661	46,286	31,453	30,668	31,512	26,693	23,557	23,478	24,898	21,194	19,696	19,028	15,800	13,544	12,711
Great Britain	95,227	94,077	138,974	292,647	319,746	199,850	163,352	158,673	157,002	145,084	137,749	59,775	29,996	21,963	20,046	19,042	15,811	13,544	12,711

Table 26b Renovation grants paid to private owners under the Local Government and Housing Act 1989

Number of grants

	Mandatory grants										Discretionary grants									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North East	-	-	2,694	2,506	2,931	2,763	2,579	1,074	57	14	-	-	-	-	-	72	47	62	11	2
Yorkshire & Humberside	119	4,454	6,243	6,599	6,620	6,577	6,527	2,993	432	79	4	254	717	1,019	963	706	996	984	201	27
North West	-	-	8,835	8,429	9,330	8,699	9,048	4,936	532	67	-	-	-	-	-	610	646	848	314	42
East Midlands	38	2,464	4,854	4,858	5,786	5,698	4,939	3,052	290	56	8	273	490	522	988	837	664	485	223	20
West Midlands	54	2,891	5,463	5,467	5,934	5,686	6,045	3,513	883	301	197	430	335	322	396	394	526	564	401	193
Eastern	-	-	3,748	4,256	4,936	5,278	5,576	2,965	331	59	-	-	-	-	-	436	450	532	113	15
Greater London	53	2,012	4,072	4,763	6,013	6,848	7,155	4,676	1,120	243	61	311	553	712	533	609	593	695	200	61
South East	-	-	5,464	7,041	7,735	9,245	8,767	4,277	564	78	-	-	-	-	-	932	902	606	187	30
South West	109	2,772	4,156	4,866	5,830	6,211	6,164	3,109	422	138	19	476	512	435	430	337	401	214	92	51
England	637	26,276	45,529	48,785	55,115	57,005	56,760	30,595	4,631	1,035	326	3,426	5,499	5,466	5,406	4,933	5,225	4,990	1,742	441
Wales	54	3,851	9,779	10,490	9,332	11,278	12,102	9,652	3,152	897	4	453	674	700	638	496	302	101	-	2
Great Britain	691	30,127	55,308	59,275	64,447	68,283	68,862	40,247	7,783	1,932	330	3,879	6,173	6,166	6,044	5,429	5,527	5,091	1,742	443

Table 26b (continued)

Number of grants

	Minor Works Assistance										Total of all grants and assistance									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North East	-	-	1,630	1,381	1,674	1,970	2,324	560	-	23	-	-	4,324	3,887	4,605	4,805	4,950	1,696	68	39
Yorkshire & Humberside	478	2,249	2,635	2,472	2,126	2,042	2,161	733	21	3	601	6,957	9,595	10,090	9,709	9,325	9,684	4,710	654	109
North West	-	-	4,002	3,560	4,554	4,431	6,840	2,112	64	3	-	-	12,837	11,989	13,884	13,740	16,534	7,896	910	112
East Midlands	814	3,094	2,735	2,498	3,109	3,082	2,461	1,047	32	1	860	5,831	8,079	7,878	9,883	9,617	8,064	4,584	545	77
West Midlands	736	3,918	3,511	2,205	3,788	3,374	2,927	1,052	6	116	987	7,239	9,309	7,994	10,118	9,454	9,498	5,129	1,290	610
Eastern	-	-	2,370	2,457	2,857	2,771	2,970	1,012	28	7	-	-	6,118	6,713	7,793	8,485	8,996	4,509	472	81
Greater London	418	1,746	2,145	2,425	2,929	3,776	4,162	1,616	82	7	532	4,069	6,770	7,900	9,475	11,233	11,910	6,987	1,402	311
South East	-	-	5,456	4,679	4,661	5,325	5,163	1,661	29	6	-	-	10,920	11,720	12,396	15,502	14,832	6,544	780	114
South West	716	3,678	3,669	4,169	4,824	4,368	4,237	976	17	-	844	6,926	8,337	9,470	11,084	10,916	10,802	4,299	531	189
England	6,743	29,325	28,153	25,846	30,522	31,139	33,245	10,769	279	166	7,706	59,027	79,181	80,097	91,043	93,077	95,230	46,354	6,652	1,642
Wales	1,375	6,751	4,957	4,768	4,578	5,537	4,932	2,363	16	2	1,433	11,055	15,410	15,958	14,548	17,311	17,336	12,116	3,168	901
Great Britain	8,118	36,076	33,110	30,614	35,100	36,676	38,177	13,132	295	168	9,139	70,082	94,591	96,055	105,591	110,388	112,566	58,470	9,820	2,543

Table 26c **Renovation grants paid to private owners under the Housing Grants, Construction and Regeneration Act 1996***Number of grants*

	Mandatory grants			Housing Repairs Assistance			Total of all grants and assistance		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
North East	1,508	2,296	2,513	1,198	2,887	2,441	2,706	5,183	4,954
Yorkshire & Humberside	2,054	4,749	4,704	1,032	2,527	3,020	3,086	7,276	7,724
North West	2,990	6,041	6,931	2,726	8,341	9,240	5,716	14,382	16,171
East Midlands	1,382	2,975	3,479	1,415	3,842	5,545	2,797	6,817	9,024
West Midlands	1,460	3,074	4,103	1,532	4,217	7,388	2,992	7,291	11,491
Eastern	1,738	4,131	4,562	1,925	6,082	8,804	3,663	10,213	13,366
Greater London	1,360	4,424	4,743	3,495	7,840	8,646	4,855	12,264	13,389
South East	2,517	5,481	6,002	3,569	8,570	11,235	6,086	14,051	17,237
South West	1,891	4,247	4,983	2,265	5,772	7,421	4,156	10,019	12,404
England	16,900	37,418	42,020	19,157	50,078	63,740	36,057	87,496	105,760
Wales	2,116	7,412	7,802	2,798	7,707	6,887	4,914	15,119	14,689
Great Britain	19,016	44,830	49,822	21,955	57,785	70,627	40,971	102,615	120,449

Source: Housing and Construction Statistics.

Notes for Tables 26a, b, c:

26a: No new grants were made under the 1985 Act in England and Wales after June 1990; although payments continued for grants made before that date. Figures on the residual numbers of grants paid in England and Wales ceased to be collected at the end of June 1995 and December 1996 respectively.

26b: The 1989 Act grants system for England and Wales started in July 1990, apart from Minor Works Assistance, which started in April 1990. The 1989 Act does not apply in Scotland. Figures for the years before 1992 are only available for standard regions, and not government office regions. 1990 and 1991 figures are therefore only shown for the government office and standard regions with the same boundaries.

26c: The 1996 Act's system of grants started in December 1996 in England and Wales.

Table 27a **Renovation of local authorities and new town dwellings***Number of grants/dwellings*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
North	7,331	4,119	4,533	11,007	9,632	15,698	17,482	18,856	26,333	22,222	21,525	23,397	17,630	18,199	24,598	19,456	22,759
Yorkshire & Humberside	8,523	4,999	6,289	8,398	8,990	8,087	4,885	10,317	10,863	14,664	11,284	9,370	15,643	21,809	18,111	21,652	21,477
North West	16,436	8,480	12,542	13,360	10,487	13,291	15,226	13,914	13,921	17,921	31,119	23,534	32,588	35,646	29,190	28,263	22,721
East Midlands	7,522	5,626	5,533	8,477	8,918	8,791	11,320	14,143	15,704	16,072	20,461	13,992	13,250	12,958	15,987	13,945	22,970
West Midlands	8,554	6,390	5,905	6,817	5,987	8,944	16,208	20,209	24,231	27,264	40,684	19,847	21,633	34,731	29,326	50,203	60,958
East Anglia	1,517	1,249	1,337	2,036	2,626	2,947	3,947	5,032	3,429	5,120	4,922	3,322	3,708	7,038	12,464	10,246	12,407
Greater London	12,024	13,476	8,796	10,500	18,657	13,423	30,421	28,127	35,069	44,029	38,406	38,107	37,297	60,726	89,689	77,099	87,299
Rest of South East	11,303	6,666	9,344	19,922	16,380	19,191	22,059	25,625	28,349	32,888	29,330	27,767	21,397	32,213	50,435	46,053	48,356
South West	4,065	1,926	3,443	4,944	4,935	6,110	12,113	12,139	11,102	14,748	28,786	25,426	14,087	25,402	26,571	41,141	16,061
England	77,275	52,931	57,722	85,461	86,612	96,482	133,661	148,362	169,001	194,928	226,517	184,762	177,233	248,722	296,371	308,058	329,513
Wales	-	-	-	-	2,390	1,728	2,788	5,886	8,333	8,444	10,987	10,513	9,491	23,264	20,397	16,665	4,705
Scotland	22,295	26,065	51,214	41,583	33,774	58,993	71,397	86,912	72,373	53,277	87,448	74,464	80,155	91,532	117,497	81,634	86,815
Great Britain	-	-	-	-	122,776	157,203	207,846	241,160	249,707	256,649	324,952	269,739	266,879	363,518	434,265	406,357	421,033

Source: Housing and Construction Statistics.

Notes: Figures for Scotland are of work approved and include Scottish Homes. Figures for England and Wales ceased to be collected after 1996.

Table 27b **Renovation of housing association dwellings***Number of grants/dwellings*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
North	2,161	1,193	2,299	1,687	1,444	1,034	1,196	731	1,099	531	360	143	236	340	560	-	-
Yorkshire & Humberside	1,304	744	1,359	1,184	1,178	1,001	1,019	851	622	523	560	523	381	492	397	-	-
North West	2,543	3,218	5,101	3,573	3,384	2,553	2,799	1,857	1,876	2,355	1,381	753	658	780	606	-	-
East Midlands	1,119	710	978	943	1,178	682	813	981	681	1,062	447	289	449	263	323	-	-
West Midlands	2,170	1,209	1,933	2,041	1,831	1,248	1,746	1,368	1,102	936	525	365	655	481	722	-	-
East Anglia	54	163	238	185	155	56	306	155	398	619	265	271	241	140	150	-	-
Greater London	4,348	3,302	4,321	3,845	7,271	3,842	3,538	3,888	4,486	4,855	3,754	2,596	3,430	2,335	2,048	-	-
Rest of South East	406	266	603	548	1,233	573	636	524	709	1,578	2,272	1,213	1,154	958	1,414	-	-
South West	571	438	532	507	781	361	661	581	264	565	1,089	266	328	223	661	-	-
England	14,676	11,243	17,364	14,513	18,455	11,350	12,714	10,936	11,237	13,024	10,653	6,419	7,532	6,012	6,881	10,596	-
Wales	252	694	1,009	993	760	945	907	948	867	812	399	305	322	300	287	163	147
Scotland	2,787	1,833	3,422	2,530	1,424	1,124	1,414	1,262	1,225	1,122	816	1,680	1,785	1,524	1,229	1,328	767
Great Britain	17,715	13,770	21,795	18,036	20,639	13,419	15,035	13,146	13,329	14,958	11,868	8,404	9,639	7,836	8,197	12,087	-

Sources: Housing and Construction Statistics and the Scottish Office.

Table 28 **Property characteristics by tenure in Great Britain**

Percentages

	Owner-occupiers		Rented				Total
	Owned outright	With mortgage	Local authority	Housing association	Private unfurnished	Private furnished	
Property type							
Houses:							
Detached	36	27	1	1	17	8	23
Semi-detached	37	36	29	19	23	12	33
Terraced	20	29	28	27	23	12	26
All houses:	93	92	58	47	69	47	82
Flats:							
Purpose-built	6	6	40	46	16	23	15
Converted	1	2	2	7	15	30	4
All flats:	7	8	42	53	31	53	18
Total	100	100	100	100	100	100	100
Property age							
Pre-1919	22	23	3	14	39	45	21
1919 - 1944	21	19	18	11	24	21	19
1945 - 1964	25	17	43	17	16	8	23
1965 - 1984	25	26	31	28	17	15	26
1985 or later	7	15	5	30	8	8	11
Total	100	100	100	100	100	100	100

Source: General Household Survey 1998, Office for National Statistics.

Notes: Flats includes maisonettes. Figures do not total precisely due to rounding.

Table 29a Tenure profile of heads of household by age in Great Britain

Percentages

Item	Owner-occupiers		Rented					All tenures
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished	With job or business	
Ages at 1980								
Under 25	0	4	4	7	4	40	7	4
25 - 29	1	13	7	11	5	24	11	8
30 - 44	8	48	22	15	13	20	32	26
45 - 64	40	33	36	20	27	10	43	34
65 - 74	32	2	21	25	26	4	6	17
75 or over	20	0	12	23	25	2	1	10
All ages	100	100	100	100	100	100	100	100
Ages at 1990								
Under 25	0	3	6	8	9	37	6	4
25 - 29	0	13	9	10	9	24	16	9
30 - 44	5	46	20	20	22	23	36	28
45 - 59	22	30	17	14	10	8	28	23
60 - 69	33	6	20	15	16	4	12	16
70 - 79	26	1	19	22	20	2	2	13
80 or over	13	0	9	12	13	1	1	6
All ages	100	100	100	100	100	100	100	100
Ages at 1998								
Under 25	0	2	6	7	10	22	–	3
25 - 29	0	10	8	10	15	26	–	8
30 - 44	5	46	24	30	33	36	–	29
45 - 59	22	34	21	16	19	10	–	26
60 - 69	31	7	14	11	8	4	–	15
70 - 79	30	2	18	15	8	1	–	14
80 or over	12	0	9	10	7	0	–	6
All ages	100	100	100	100	100	100	–	100

Sources: General Household Surveys 1980, 1990 & 1998, Office for National Statistics.

Note: For 1998 figures for private lettings with a job or business are included within the figures for private unfurnished and furnished lettings.

Table 29b Tenure profile of heads of household by sex and marital status in Great Britain

Percentages

Item	Owner-occupiers		Rented				All tenures	
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished		With job or business
Sex & marital status at 1980								
Men: Married	20	40	31	1	4	1	3	100
Single	17	22	25	1	11	22	3	100
Widowed	35	5	45	2	9	1	2	100
Divorced/separated	9	34	36	1	9	8	3	100
All men	20	37	31	1	5	2	3	100
Women: Married	13	41	32	2	2	10	2	100
Single	30	9	30	3	12	13	3	100
Widowed	36	3	46	3	11	0	0	100
Divorced/separated	13	16	58	3	6	3	1	100
All women	30	8	44	3	10	4	1	100
Total	23	30	34	1	6	3	3	100
Sex & marital status at 1990								
Men: Married	24	54	16	1	2	1	2	100
Single	14	39	20	3	8	14	2	100
Widowed	42	9	39	3	5	0	1	100
Divorced/separated	12	40	29	4	7	6	3	100
All men	23	49	18	2	3	2	2	100
Women: Married	35	30	22	9	0	0	4	100
Single	19	22	35	7	7	8	2	100
Widowed	44	6	39	4	6	1	0	100
Divorced/separated	12	30	44	4	6	2	1	100
All women	30	16	39	5	6	3	1	100
Total	25	41	24	3	4	2	2	100
Sex & marital status at 1998								
Men: Married	31	52	9	3	5	1	–	100
Cohabiting	5	61	16	5	9	4	–	100
Single	15	37	17	6	11	14	–	100
Widowed	53	9	26	7	4	0	–	100
Divorced/separated	16	37	25	6	13	3	–	100
All men	27	49	12	4	6	3	–	100
Women: Married/Cohabiting	–	–	–	–	–	–	–	100
Single	16	26	27	12	12	6	–	100
Widowed	54	6	27	7	5	0	–	100
Divorced/separated	14	34	32	10	7	2	–	100
All women	32	20	29	9	8	2	–	100
Total	28	41	16	5	7	2	–	100

Sources: General Household Surveys 1980, 1990 & 1998, Office for National Statistics.

Notes: The 1998 figures distinguish between married and cohabiting; for earlier years married includes cohabiting. The samples are too small to provide figures for married and cohabiting female heads of household by tenure. The 1998 figures include private lettings with a job or business within furnished and unfurnished lettings.

Table 29c **Tenure profile of heads of household by socio-economic group and economic activity status in Great Britain**

Percentages

Item	Owner-occupiers		Rented				All tenures	
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished		With job or business
Socio-economic group at 1980								
Professional	3	8	0	4	0	9	8	4
Employers/managers	10	24	3	3	4	9	25	12
Intermediate non-manual	4	11	2	4	5	17	8	6
Junior non-manual	5	10	6	7	6	18	13	8
Skilled manual	15	34	27	19	17	21	23	25
Semi-skilled manual	6	8	14	8	9	10	21	10
Unskilled manual	2	1	5	3	3	5	0	3
Economically inactive	56	4	42	52	55	11	1	33
Total	100	100	100	100	100	100	100	100
Socio-economic group at 1990								
Professional	2	10	0	0	2	8	8	5
Employers/managers	9	24	2	4	7	11	26	14
Intermediate non-manual	4	14	2	5	6	14	10	8
Junior non-manual	3	7	4	4	6	10	6	5
Skilled manual	12	30	15	12	20	17	20	21
Semi-skilled manual	3	7	11	10	9	9	26	8
Unskilled manual	1	1	4	1	3	4	0	2
Economically inactive	66	7	61	63	48	26	5	38
Total	100	100	100	100	100	100	100	100
Socio-economic group at 1998								
Professional	3	10	0	0	4	12	–	6
Employers/managers	7	25	2	3	10	10	–	13
Intermediate non-manual	4	13	2	3	11	15	–	8
Junior non-manual	3	9	5	6	7	9	–	6
Skilled manual	8	24	12	12	16	12	–	16
Semi-skilled manual	4	8	11	11	12	10	–	8
Unskilled manual	1	2	4	5	2	1	–	2
Economically inactive	70	10	64	61	38	32	–	41
Total	100	100	100	100	100	100	–	100

Sources: General Household Surveys 1980, 1990 & 1998, Office for National Statistics.

Notes: Excludes members of the armed forces, economically active full-time students and those who were unemployed and had never worked. Skilled manual includes own account non-professionals. Semi-skilled manual includes personal service. 1998 figures include private lettings with a job or business within unfurnished and furnished lettings.

Table 30a Race by tenure in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
Tenure							
Outright owner	27	21	14	10	9	13	26
Owner with mortgage	42	57	42	33	39	42	42
Rented:							
With job or business	2	2	0	2	3	2	2
Local authority or housing association	22	9	31	44	27	29	23
Private unfurnished	5	5	6	6	8	6	5
Private furnished	2	5	6	6	14	8	3
Total	100	100	100	100	100	100	100

Source: General Household Survey 1998, Office for National Statistics.

Table 30b Race by dwelling type in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
House:							
Detached	22	14	7	3	13	9	21
Semi-detached	33	36	21	17	18	23	32
Terraced	27	37	50	32	26	35	27
Flats:							
Purpose-built	14	8	21	34	29	24	15
Converted	4	5	2	13	13	9	4
Other	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100

Sources: General Household Surveys 1995, 1996 & 1998, unpublished data from Office of National Statistics.

Table 30c Race by occupation standards in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
Bedroom Standard							
2 or more below standard	0	1	7	1	1	2	0
1 below standard	2	8	15	7	5	8	2
Equals standard	27	32	48	45	45	42	28
1 above standard	38	36	19	29	29	29	38
2 or more above standard	33	24	12	19	21	20	32

Source: General Household Surveys 1995, 1996 & 1998, unpublished data from Office of National Statistics.

Table 31 Tenure, cars, consumer durables and second dwellings in Great Britain

Percentage of households with specified durables in 1998/99

Item	Rented					Owner-occupiers		All households
	Local authority	Housing association	Other unfurnished	Rented furnished	Rent free	In process of purchasing	Outright owner	
No car	67	64	35	52	31	8	24	40
One car	27	30	44	39	56	48	52	44
Two or more cars	7	6	20	9	13	43	24	16
Central heating	84	89	67	80	85	90	87	86
Telephone	87	89	90	79	96	99	99	95
Washing machine	81	75	83	73	87	97	93	90
Tumble dryer	38	35	41	19	41	63	49	51
Microwave	69	68	67	59	79	89	76	79
Dishwasher	3	4	12	5	24	35	25	23
Video recorder	71	71	82	74	76	96	82	85
CD player	48	53	69	75	50	88	52	68
Second dwelling	0	1	7	4	9	5	5	4

Source: Family Spending 1998/99, Office for National Statistics.

Table 32 **Employment status of household heads by tenure**

Percentages

Year	Tenure	In employment:			Unemployed	Retired	Other economic inactive	Total
		Full-time	Part-time	All				
1981	Outright owners	37	4	42	3	44	11	100
	Home-buyers	92	1	93	3	2	2	100
	Council renting	43	4	47	9	28	15	100
	Housing association	42	4	46	6	34	14	100
	Private, unfurnished	51	4	56	4	30	10	100
	Private, furnished	65	1	66	9	5	20	100
	All tenures	58	3	62	5	24	10	100
1991	Outright owners	26	6	32	3	58	7	100
	Home-buyers	86	3	89	4	4	4	100
	Council renting	25	5	30	11	40	19	100
	Housing association	29	5	34	9	42	15	100
	Private, unfurnished	54	5	59	6	28	8	100
	Private, furnished	56	5	61	12	4	23	100
	All tenures	54	4	59	6	27	9	100
1998/99	Outright owners	23	7	30	1	63	6	100
	Home-buyers	85	5	90	1	5	4	100
	Council renting	24	7	31	8	36	25	100
	Housing association	24	8	31	8	34	27	100
	Private, unfurnished	55	8	63	5	18	13	100
	Private, furnished	56	9	66	7	5	22	100
	All tenures	53	6	59	3	28	10	100

Sources: Housing trailers to the 1981 & 1991 Labour Force Surveys, Survey of English Housing 1998/99.

Notes: Unemployed includes households that believe no work is available. Equivalent figures for 1981, 1984, 1988, and 1993/4 to 1997/98 can be found in earlier editions of the *Review*.

Table 33 **Employment status of recently moving household heads by tenure in 1984, 1991 and 1998/99***Percentages*

Year	Tenure	In employment:			Unemployed	Retired	Other economic inactive	Total
		Full-time	Part-time	All employed				
1984	Outright owner	31	5	36	9	31	19	100
	Buying with mortgage	94	1	95	3	–	2	100
	Council	29	5	33	24	17	26	100
	Housing association	40	12	52	16	12	10	100
	Private, unfurnished	74	4	77	11	3	11	100
	Private, furnished	52	4	56	16	1	28	100
	All tenures	64	3	67	11	7	14	100
1991	Outright owner	37	5	42	6	42	8	100
	Buying with mortgage	93	2	94	3	1	2	100
	Council	28	3	31	22	20	27	100
	Housing association	30	6	35	13	28	24	100
	Private, unfurnished	75	4	79	9	2	9	100
	Private, furnished	55	4	59	11	1	28	100
	All tenures	64	3	67	10	8	15	100
1998/99	Outright owner	30	11	42	1	49	8	100
	Buying with mortgage	93	3	96	0	2	2	100
	Council	29	8	38	14	14	34	100
	Housing association	31	7	37	13	17	33	100
	Private, unfurnished	65	9	73	9	4	15	100
	Private, furnished	56	11	67	6	2	25	100
	All tenures	62	7	68	6	9	16	100

Sources: Housing trailers to the 1984 and 1991 Labour Force Surveys, Survey of English Housing 1998/99.

Note: Other economic inactive includes people who were permanently sick or disabled, in full-time education or looking after the family at home.

Table 34 Incomes of household heads by tenure in Great Britain

£ per week

Tenure	1972	1976	1980	1984	1988	1992	1996	1998
Owners:								
Outright owner	25	59	81	107	157	194	225	220
With mortgage	39	96	142	195	267	320	380	401
Tenants:								
Local authority	22	58	68	76	93	110	131	130
Housing association	–	54	66	88	94	120	145	142
Private, unfurnished	19	48	60	77	110	149	223	231
Private, furnished	21	57	87	89	161	170	222	250

Source: General Household Surveys 1972 to 1998.

Notes: Income figures are mean averages for usual gross income of household heads. Local authority tenants includes tenants of new towns.

Table 35 Tenure and sources of income in 1998/99

Sources of income	Tenant households					Home-owner households		
	Local authority	Housing association	Other unfurnished	Rented furnished	Rent free	In process of purchasing	Outright owner	All owners
	£	£	£	£	£	£	£	£
Household weekly income:								
Gross	203	205	354	398	288	652	394	555
Disposable	185	184	295	319	241	509	334	443
Percentage from:								
Wages & salaries	46	47	67	79	56	82	37	70
Self-employment	3	3	11	4	8	9	9	9
Investments	1	1	3	4	7	2	11	5
Pensions & annuities	4	5	3	0	7	2	22	7
Social security	45	43	13	5	20	4	20	8
Other sources	1	2	3	8	1	1	1	1
Total	100	100	100	100	100	100	100	100

Source: Family Spending 1998-99, Office for National Statistics

Note: Pensions and annuities excludes social security benefits. Social security benefits exclude housing benefit and council tax benefit.

Table 36 Tenure and gross weekly household income in Great Britain in 1998/99*Percentages of households in each gross income decile group*

Income decile group	Lower income boundary	Tenant households					Home-owner households		All households
		Local authority	Housing association	Other	Rented furnished	Rent free	In process of purchasing	Outright owner	
	£	%	%	%	%	%	%	%	%
Lowest		42.3	13.9	9.3	8.0	2.9	6.5	17.1	100.0
Second	97	39.6	11.1	8.2	2.8	2.3	9.0	27.1	100.0
Third	146	30.5	9.6	6.7	2.1	2.4	16.0	32.7	100.0
Fourth	197	19.6	5.4	6.0	2.3	1.3	26.1	39.3	100.0
Fifth	269	13.8	3.9	5.9	3.6	2.1	34.4	36.3	100.0
Sixth	340	10.9	3.1	5.5	2.1	1.6	48.3	28.4	100.0
Seventh	429	7.5	2.3	5.2	1.6	1.3	62.3	19.7	100.0
Eighth	531	3.3	0.8	5.2	1.1	1.1	68.2	20.2	100.0
Ninth	664	2.6	1.3	3.8	1.3	0.7	74.2	16.2	100.0
Highest	880	0.5	0.3	3.4	2.9	0.3	76.2	16.3	100.0
All		17.1	5.2	5.9	2.8	1.6	42.1	25.3	100.0

Source: Family Expenditure Survey 1998/99, Office for National Statistics.

Note: The table with this data is regrettably not included in the published report of the 1998/99 Family Expenditure Survey.

Section 3 Compendium of tables

Private housing

Table 37a **Numbers of property transactions in England and Wales***Thousands*

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Transactions	1,267	1,351	1,542	1,669	1,760	1,743	1,801	1,937	2,148	1,580	1,398	1,306	1,136	1,196	1,274	1,135	1,242	1,440	1,347	1,465

Sources: Economic Trends, Inland Revenue Statistics, Inland Revenue.

Table 37b **Residential property transactions in England and Wales**

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
All property transactions (000s)	1,801	1,937	2,148	1,580	1,398	1,306	1,136	1,196	1,274	1,135	1,242	1,440	1,347
Residential property transactions (000s)	1,600	1,744	1,990	1,467	1,283	1,225	1,032	1,114	1,168	1,047	1,122	1,296	1,220
Residential properties as a percentage of all property transactions (%)	88.8	90.0	92.6	92.8	91.8	93.8	90.8	93.1	91.7	92.2	90.3	90.0	90.6
Residential transactions as a percentage of stock of owner-occupied dwellings (%)	12.6	13.4	14.8	10.6	9.2	8.6	7.2	7.7	8.0	7.1	7.6	8.7	8.1

Sources: Inland Revenue Statistics, Economic Trends, Housing and Construction Statistics.

Table 38 **Numbers of mortgage advances per year in Great Britain***Thousands*

	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Building societies	675	1,073	780	661	531	561	602	513	589	396	230	304
+ Banks		176	333	316	327	397	359	346	431	674	678	756
+ Insurance companies	18	19	26									
+ Local authorities	16	23	8									
+ Other specialist lenders				83	38	34	52	50	65	116	127	121
= Total	709	1,291	1,147	1,060	896	992	1,013	909	1,085	1,186	1,035	1,181

Sources: Housing and Construction Statistics (annual volumes) for 1980 to 1990; Bank of England 1991 onwards.

Notes: The 1980 figures are for England and Wales only and exclude council house sales. Thereafter, figures are for Great Britain, and include council house sales. Abbey National Plc figures included with the banks figures from July 1989. The Bank of England data from 1991 onwards also reflects the continuing trend for building societies to convert to banks. The figures for banks and other specialist lenders are understood to include remortgage advances as well as loans for house purchase.

Table 39 Building Society advances

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Advances (£ million)														
New dwellings	510	946	1,406	2,900	3,775	3,770	3,351	3,234	4,127	4,207	4,227	2,759	1,916	2,484
+ Other dwellings	1,492	4,003	8,184	20,375	29,260	28,752	24,119	23,534	26,166	22,867	28,865	19,200	13,214	17,619
= All dwellings	2,002	4,949	9,590	23,275	33,035	32,522	27,470	26,775	30,293	27,075	31,092	21,959	15,130	20,103
+ Other advances	19	16	24	3,216	10,296	9,502	6,015	4,799	7,706	10,200	12,725	8,647	8,894	9,866
= Total advances	2,021	4,965	9,614	26,491	44,593	43,603	35,090	33,400	37,999	37,275	43,817	30,606	24,024	29,969
Number of dwellings (000s)														
New dwellings	133	121	94	119	78	71	64	59	76	68	72	42	25	32
+ Other dwellings	407	529	584	955	703	626	526	506	543	453	530	350	204	260
= All dwellings	540	651	675	1,073	780	697	589	566	618	524	599	392	230	292
Average advance														
New dwellings	–	7,943	15,238	24,922	50,815	52,109	51,333	52,382	54,877	57,172	59,917	62,597	65,669	72,305
Other dwellings	–	7,511	13,483	22,501	44,559	45,931	45,014	46,384	48,877	49,112	51,870	55,150	57,969	63,792
All dwellings (A)	–	7,588	13,718	22,770	45,210	46,596	45,718	47,021	49,624	50,150	52,817	55,963	58,824	64,718
Average house price (B)														
	–	12,119	24,307	33,187	66,695	66,745	63,424	66,157	68,892	68,551	71,653	77,304	86,542	96,918
Average advance as a % of average house price (A/B)														
	–	62.6	56.4	68.6	67.8	69.8	72.1	71.1	72.0	73.2	73.7	72.4	68.0	66.8

Source: Housing and Construction Statistics.

Notes: Figures for amounts and numbers of advances exclude Abbey National from July 1989, Cheltenham & Gloucester from August 1995, National and Provincial from August 1996, Alliance & Leicester from April 1997, Halifax from June 1997, Bristol & West and Woolwich from July 1997 and Northern Rock from October 1997. Average advances and house price figures exclude mortgages where the price was not representative of the value of the property, i.e. sales to sitting tenants.

Table 40a **Advances to first-time buyers**

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of loans (000s)	330	305	318	570	413	330	301	305	532	419	435	512	525	593
Average dwelling price (A) (£)	4,330	9,549	17,533	23,742	45,234	47,094	46,401	47,597	48,231	46,489	48,693	54,051	61,665	71,779
Average advance (B) (£)	3,464	7,292	12,946	20,260	37,332	38,963	38,642	38,801	40,108	41,389	43,867	47,582	51,038	57,482
Average annual income (C) (£)	1,766	3,753	7,749	10,466	17,016	17,607	17,896	17,981	18,444	18,697	19,723	21,316	22,807	25,274
Average advance as % of dwelling price (B/A)	80.0	76.4	73.8	85.3	82.5	82.7	83.3	81.5	83.2	89.0	90.1	88.0	82.8	80.1
Ratio average advance/ average income (B/C)	1.96	1.94	1.67	1.94	2.19	2.21	2.16	2.16	2.17	2.21	2.22	2.23	2.24	2.27
Interest rates (%)	8.6	11.1	14.9	13.0	14.3	11.4	9.0	7.9	7.8	7.5	6.5	7.6	7.3	6.5
Average monthly repayment (D) (£)	22.27	53.16	122.60	173.43	381.02	337.93	284.27	261.92	277.13	288.29	281.45	337.94	360.77	381.78
Average repayment as % of average income (12xD/C)	15.1	17.0	19.0	19.9	26.9	23.0	19.1	17.5	18.0	18.5	17.1	19.0	19.0	18.1

Sources: Housing Finance, Compendium of Housing Finance Statistics, Council of Mortgage Lenders.

Notes: All figures relate to the UK. Average income data subject to variation in recording by different societies. From 1989 Q3 to 1993 Abbey National are excluded from data on the number of building society loans, but retained for other columns. From 1994 data is from the wider Survey of Mortgage Lenders. Average mortgage payments are calculated on the basis of a conventional 25 year mortgage, on the basis of the average building society mortgage rate for the year, adjusted to net repayments allowing for changes in tax and MITR rates, and the impact of the £30,000 limit on relief against the average advance.

Table 40b **Annual changes in house prices, mortgage advances and incomes for first-time buyers**

Percentages

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Average dwelling price	5.7	5.7	17.5	7.1	13.8	4.1	- 1.5	2.6	1.3	- 3.6	4.7	11.0	14.1	16.4
Average advance	6.9	11.0	14.7	7.8	13.3	4.4	- 0.8	0.4	3.4	3.2	6.0	8.5	7.3	12.6
Average income	9.2	14.2	23.2	7.3	11.7	3.5	1.6	0.5	2.6	1.4	5.5	8.1	7.0	10.8

Source and Notes: As Table 40a.

Table 40c **Advances to former owner-occupiers**

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of loans (000s)	210	345	358	505	367	367	287	259	427	377	513	615	563	660
Average dwelling price (A) (£)	5,838	13,813	28,959	39,390	76,170	76,253	76,098	77,284	84,861	87,196	91,193	96,454	101,287	111,383
Average advance (B) (£)	3,854	7,409	13,359	23,300	45,180	47,669	48,494	50,124	55,096	55,977	58,507	62,014	64,993	71,774
Average annual income (C) (£)	2,168	4,299	8,688	12,702	22,479	23,191	23,917	24,492	26,957	28,088	29,468	30,460	31,720	33,960
Average advance as % of dwelling price (B/A)	66.0	53.6	46.1	59.2	59.3	62.5	63.7	64.9	64.9	64.2	64.2	64.3	64.2	64.4
Ratio average advance/ average income (B/C)	1.78	1.72	1.54	1.83	2.00	2.06	2.03	2.05	2.04	1.99	1.99	2.04	2.05	2.11
Interest rates (%)	8.6	11.1	14.9	13.0	14.3	11.4	9.0	7.9	7.8	7.5	6.5	7.6	7.3	6.5
Average monthly repayment (D) (£)	24.78	54.01	126.51	199.45	478.02	426.65	367.91	349.56	392.24	397.41	381.59	446.91	483.55	478.63
Average repayment as % of average income (12xD/C)	13.7	15.1	17.5	18.8	25.5	22.1	18.5	17.1	17.5	17.0	15.5	17.6	18.3	16.9

Sources and Notes: As Table 40a.

Table 40d **Annual changes in house prices, mortgage advances and incomes for former owner-occupiers***Percentages*

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Average dwelling price	13.4	9.8	20.3	7.3	6.8	0.1	- 0.2	1.6	9.8	2.8	4.6	5.8	5.0	10.0
Average advance	11.4	14.8	12.9	8.5	10.1	5.5	1.7	3.4	9.9	1.6	4.5	6.0	4.8	10.4
Average income	9.1	16.2	22.3	8.5	16.2	3.2	3.1	2.4	10.1	4.2	4.9	3.4	4.1	7.1

Sources and Notes: As Table 40a.

Table 41 **Housing wealth, borrowing and equity**

	USA	France	Germany	United Kingdom				
	1989	1984	1988	1980	1985	1990	1995	1998
Billions (of the national currency)								
Gross Domestic Product	5,132	4,362	2,111	230	354	555	713	838
Value of owner-occupied stock	6,500	4,189	2,850	281	502	1,049	1,001	1,264
House purchase debt	1,900	701	427	53	127	295	388	452
'Free equity'	4,600	3,488	2,420	228	374	754	613	812
Percentages								
Value of stock as % of GDP	127	96	135	122	142	189	140	151
Debt as a % of GDP	37	16	20	23	36	53	54	54
Free equity as a % of GDP	90	80	115	99	106	136	86	97

Sources: Figures for USA, France and Germany from House Prices, Land Prices, The Housing Market and House Purchase Debt in Britain and Other Countries, A. Holmans, Department of the Environment.

Note: UK figures updated and revised. They differ from the figures in Table 6, as they have been adjusted to exclude values for housing association and non-corporate private landlords included within the personal sector.

Table 42 Regional land prices per hectare (for private sector housing)

£ thousands

Region	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
North	76.3	79.6	71.9	80.2	121.6	123.0	105.2	120.7	277.8	216.5	322.2	237.1						
<i>North East</i>										224.1	320.8	248.1	250.5	223.7	291.6	230.5	325.8	323.9
North West	84.9	75.3	97.5	81.6	100.8	124.7	146.1	197.3	393.7	309.2	326.3	311.5						
<i>North West</i>										357.7	325.6	313.1	273.3	259.3	302.7	333.6	311.6	333.8
<i>Merseyside</i>										83.3	341.6	261.6	240.6	300.0	273.8	349.1	281.7	357.8
Yorkshire & Humberside	61.4	78.1	85.5	96.2	115.4	107.3	122.3	174.8	252.8	311.4	325.0	301.8	251.6	282.7	349.5	359.6	291.3	381.7
West Midlands	124.1	91.5	130.9	130.9	125.1	150.4	220.4	393.6	458.8	495.7	370.0	397.3	425.0	355.3	435.3	376.6	442.7	569.4
East Midlands	63.7	72.4	75.5	101.1	94.2	115.7	178.4	313.7	396.0	376.6	330.4	308.4	314.8	298.9	319.4	296.7	321.9	455.3
East Anglia	71.0	75.8	83.1	94.7	149.1	153.7	273.5	452.5	547.1	405.4	235.6	261.0						
<i>Eastern</i>										642.2	348.8	354.1	462.1	414.1	437.5	493.6	424.3	695.4
Greater London	390.1	486.0	754.6	600.5	888.2	1,532.5	2,133.4	2,169.0	3,091.1	2,209.2	1,606.9	1,458.7	1,360.2	1,699.9	1,530.0	1,363.9	1,072.6	1,381.4
South East	168.1	180.5	218.4	286.6	378.9	407.0	605.9	820.9	762.9	583.0	603.7	556.0						
<i>Eastern</i>										526.3	588.7	527.9	579.3	538.5	594.0	623.8	647.3	955.0
South West	78.9	94.5	138.3	121.7	197.1	194.7	309.1	496.0	493.7	323.3	409.1	194.7	338.2	417.9	396.2	452.7	477.4	458.7
England	112.0	119.4	155.1	150.7	199.7	240.9	346.9	460.9	453.3	397.7	398.5	339.2	380.4	393.2	411.6	421.7	424.5	509.7
Wales	31.6	48.8	49.2	74.5	89.0	76.7	83.8	97.8	191.5	222.6	155.2	177.6	167.5	241.8	190.7	274.9	292.7	412.0

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: 1996, 1997 and 1998 figures are provisional. For years to 1992 data is shown for 'standard' regions; for years from 1990 data is shown for government office regions (indicated by inset name in italics).

Data for all years from 1981 to 1996 is set out in a single row for regions unaffected by this change in regional definitions.

Table 43a Average regional house prices

£

Region	1980	1981	1982	1983	1984	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North	17,710	18,602	18,071	20,034	22,604	22,786	43,655	46,005	48,347	49,337	50,181	47,062	52,195	53,229	57,765	63,500
Yorkshire & Humberside	17,689	19,202	18,180	20,870	22,356	23,338	47,231	52,343	52,278	54,346	54,364	54,353	57,334	59,890	62,419	67,589
North West	20,092	20,554	20,744	22,827	24,410	25,126	50,005	53,178	56,377	54,890	57,180	56,537	58,232	63,558	65,730	71,999
East Midlands	18,928	19,465	19,487	22,034	24,377	25,539	52,620	55,740	54,599	53,370	55,096	55,050	59,743	61,798	66,244	72,523
West Midlands	21,663	21,755	20,992	23,133	24,989	25,855	54,694	58,659	57,827	58,315	59,106	62,133	64,571	67,623	71,899	79,925
East Anglia	22,808	23,060	23,358	25,814	28,296	31,661	61,427	61,141	56,770	58,039	59,537	60,898	62,944	69,694	75,354	79,447
Greater London	30,968	30,757	30,712	34,632	39,346	44,301	83,821	85,742	78,254	78,399	87,493	89,527	94,524	105,644	115,183	142,694
Rest of South East	29,832	29,975	29,676	33,753	37,334	40,487	80,525	79,042	74,347	74,605	80,579	80,949	86,296	92,651	104,323	118,179
South West	25,293	25,365	25,514	27,996	30,612	32,948	65,378	65,346	61,460	60,791	64,805	65,095	68,406	72,811	80,385	89,397
Wales	19,363	20,155	19,662	22,533	23,665	25,005	46,464	48,989	49,685	52,072	53,059	52,992	55,347	58,731	61,180	67,670
Scotland	21,754	23,014	22,522	23,822	25,865	26,941	41,744	48,772	49,224	49,553	50,551	53,105	57,431	57,697	64,083	69,368
Northern Ireland	23,656	19,890	20,177	20,878	21,455	23,012	31,849	35,352	37,775	38,878	38,642	42,804	47,850	53,322	59,646	66,200
United Kingdom	23,596	24,188	23,644	26,469	29,106	31,103	59,785	62,455	60,821	61,223	64,755	65,641	70,534	75,959	81,991	92,717

Sources: Housing Finance, Council of Mortgage Lenders, derived from the DoE/BSA 5% sample survey, and from 1994 the wider Survey of Mortgage Lenders.

Notes: The average prices are not adjusted for changes in the mix of properties mortgaged to building societies. There is a discontinuity in the series between 1993 and 1994, due to the switch to the wider Survey of Mortgage Lenders. The impact of this break in the series varies from region to region, but the aggregate effect for the UK is to increase reported prices by some 2 per cent.

Table 43b Average regional house prices*Mix adjusted index (1993 = 100)*

Region	1980	1981	1982	1983	1984	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North	35.9	38.4	40.0	44.5	47.0	48.4	93.4	93.9	97.9	100.0	103.7	98.3	101.7	108.7	113.3	122.3
Yorkshire & Humberside	32.0	35.9	36.1	40.6	43.2	45.7	96.8	100.8	99.0	100.0	97.9	98.0	101.1	106.4	110.0	116.8
North West	36.0	38.2	39.2	43.2	45.7	47.9	101.3	102.7	104.1	100.0	102.3	101.4	102.8	110.1	114.7	122.7
East Midlands	35.8	38.6	39.8	44.2	48.3	52.0	107.8	105.1	102.9	100.0	101.8	102.0	107.5	112.2	122.4	127.1
West Midlands	36.4	38.0	38.7	41.9	44.8	47.0	104.4	104.4	101.5	100.0	100.2	102.8	105.8	112.1	120.7	130.2
East Anglia	39.6	41.7	43.2	47.1	51.8	58.2	114.3	111.1	105.1	100.0	102.6	105.3	105.8	115.7	130.7	138.2
Greater London	37.9	39.1	39.7	44.8	52.0	59.2	117.9	113.2	101.7	100.0	120.8	108.4	111.4	128.1	147.0	181.4
Rest of South East	39.9	41.7	42.4	48.0	54.4	60.0	118.5	112.2	104.3	100.0	105.9	106.9	111.7	124.2	142.6	159.0
South West	41.0	42.4	43.9	48.4	52.1	57.5	114.0	110.4	104.2	100.0	103.4	104.3	108.7	117.7	130.7	145.6
Wales	35.8	38.8	41.0	45.1	46.9	50.5	101.5	100.1	99.0	100.0	101.9	100.0	104.3	110.4	115.7	124.8
Scotland	36.2	39.6	42.2	47.4	50.3	53.1	85.3	92.4	96.4	100.0	98.5	99.7	102.6	111.5	114.8	117.3
Northern Ireland	55.8	54.2	56.4	60.8	63.0	67.5	88.1	94.4	96.1	100.0	104.0	116.2	126.2	140.2	155.0	170.2
United Kingdom	37.7	39.8	40.8	45.7	49.8	54.3	108.1	106.6	102.6	100.0	103.1	103.7	107.5	117.6	130.5	145.4

Sources: Compendium of Housing Finance Statistics, Council of Mortgage Lenders, derived from the DoE/BSA 5% sample survey.

Notes: The indexes are adjusted for changes in the mix of properties mortgaged to building societies (to 1993) and mortgage lenders (subsequent years). This discontinuity has little impact on the mix adjusted house price for the UK, but there is some variable impact on the regional indexes. For the years from 1990 onwards the mix is based on properties mortgaged during the 1992 to 1994 period.

Table 44 **Average regional house prices by size of dwelling in 1999**

£

Region	2 rooms or less	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms or more
North	35,512	42,360	45,765	54,718	67,556	108,224
Yorkshire & Humberside	45,272	40,265	46,393	54,933	67,509	120,829
North West	38,467	45,821	49,735	55,416	69,132	128,019
West Midlands	54,348	51,134	56,240	64,306	76,255	132,102
East Midland	43,797	44,966	47,907	55,971	68,930	119,247
East Anglia	46,359	51,193	56,516	62,750	79,146	133,090
Greater London	89,889	106,846	124,793	140,774	165,162	263,845
South East	63,959	72,602	83,332	98,049	116,268	205,809
South West	53,853	53,630	63,256	77,103	92,088	145,222
Wales	44,479	46,769	51,544	57,319	62,145	108,575
Scotland	46,026	44,155	54,269	67,686	85,001	129,770
Northern Ireland	56,090	56,180	54,553	55,100	67,075	102,180

Source: DETR; analysis commissioned from DETR/CML 5% Sample Survey of Mortgage Lenders.

Notes: Figures for two room dwellings should be treated with particular caution due to very small sample sizes.

Rooms include kitchens, but not bathrooms, lobbies, landings or sculleries. Figures are for sales to all purchasers, with the exception of sitting tenants.

Table 45 Average regional mortgage repayments*£ per week*

Region	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
North	16.30	21.27	26.07	28.81	28.29	33.50	40.14	44.34	38.81	35.37	34.59	40.92	42.17	47.43	58.64
North West	15.48	23.13	25.42	29.51	26.54	35.20	45.05	49.68	46.91	37.93	41.86	43.70	49.91	53.30	58.55
Yorkshire & Humberside	14.14	24.22	25.45	25.28	26.46	33.24	42.97	47.49	44.24	37.22	40.34	44.51	42.81	47.20	61.91
West Midlands	18.82	25.85	27.49	29.00	29.92	40.46	46.92	51.46	48.42	43.46	41.16	48.85	47.89	57.20	65.57
East Midlands	15.89	22.32	25.77	25.06	30.72	39.21	50.30	48.34	54.41	42.61	43.62	49.01	47.56	52.70	61.56
East Anglia	19.63	27.13	31.49	35.89	38.80	50.50	61.83	50.36	55.22	50.56	47.24	52.55	57.57	55.05	66.56
Greater London	23.00	38.48	43.53	51.86	56.37	79.66	89.56	89.35	78.70	76.05	71.56	67.16	73.39	86.20	97.70
Rest of South East	23.70	36.85	39.53	46.15	50.79	66.52	81.76	76.08	75.19	65.10	62.88	68.38	70.38	79.09	88.89
South West	18.58	28.29	32.41	35.47	38.79	49.46	67.80	62.97	61.97	47.11	51.09	49.92	51.37	59.43	64.77
Wales	17.74	24.07	27.26	29.57	27.15	37.63	49.79	43.37	42.37	42.65	33.64	43.87	48.51	53.25	58.52
Scotland	24.18	31.11	32.12	33.50	37.17	43.72	48.65	52.69	49.05	39.79	40.17	42.17	46.35	51.52	58.51
Northern Ireland	18.00	27.61	23.36	24.69	26.36	42.20	36.89	44.09	35.01	32.15	27.47	37.64	31.07	40.84	43.84
United Kingdom	19.50	29.07	31.94	35.81	37.83	49.82	60.39	60.27	57.65	49.49	49.04	52.47	54.87	61.54	70.63

Sources: Family Expenditure Surveys; Office for National Statistics. Data for years to 1992 extracted from FES database by Anthony Murphy, Northern Ireland Economic Research Centre.

Note: Repayments include both capital and interest, and are the average for all home-buyers with outstanding mortgages. Endowment and life insurance premiums are not included.

Table 46 **Mortgage arrears and repossessions**

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of mortgages at year end (000s)	4,171	5,076	6,210	7,717	9,415	9,815	9,922	10,137	10,410	10,521	10,637	10,738	10,821	10,981
Repossessions during year	3,760	4,870	3,480	19,300	43,890	75,540	68,540	58,540	49,190	49,410	42,560	32,770	33,820	30,000
Cases in mortgage arrears														
12+ months arrears	-	-	-	13,120	36,100	91,740	147,040	151,810	117,110	85,200	67,020	45,200	34,880	29,520
6 - 12 months arrears	21,140	16,760	15,530	57,110	123,110	183,610	205,010	164,620	133,700	126,670	100,960	73,840	74,040	57,110
3 - 6 months arrears	-	-	-	-	-	-	-	193,660	169,080	177,910	139,250	117,840	129,090	96,680
3 - 5 months arrears	-	-	-	97,000	206,600	305,500	275,400	242,050	191,590	-	-	-	-	-
2 months arrears	-	-	-	140,000	237,500	269,800	207,800	198,400	135,840	-	-	-	-	-

Sources: Compendium of Housing Finance Statistics & Housing Finance, Council of Mortgage Lenders; Janet Ford, Roof (figures for 2 & 3-5 months arrears for years 1985 to 1994).

Notes: Properties taken into possession include those voluntarily surrendered. The CML 3-6, 6-12 & 12+ months arrears figures are for the end of the year. The Janet Ford survey figures for 2 & 3-5 months arrears are for March of the year. Her survey of mortgage arrears figures has now been discontinued from publication following the introduction of the CML 3-6 months arrears series. Changes in the mortgage rate have the effect of changing monthly repayments and hence the number of months in arrears which a given amount represents.

Table 47a Court orders for mortgage repossession: actions entered 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	4,943	6,917	6,064	4,639	3,742	3,762	3.4	3.7	4.3	4.0	4.3	4.3
Yorkshire & Humberside	10,434	14,146	10,280	8,447	7,619	7,402	7.2	7.6	7.2	7.3	8.7	8.4
East Midlands	11,036	13,468	10,110	7,672	6,045	6,456	7.6	7.2	7.1	6.6	6.9	7.3
East Anglia	5,558	6,237	5,012	3,884	2,974	2,816	3.8	3.3	3.5	3.3	3.4	3.2
Greater London	29,291	35,265	25,681	21,250	15,545	12,135	20.2	18.9	18.1	18.3	17.7	13.8
South East	35,673	44,610	33,780	27,698	19,896	18,650	24.5	23.9	23.8	23.8	22.6	21.2
South West	12,209	16,694	12,544	11,742	7,355	7,063	8.4	8.9	8.8	10.1	8.4	8.0
West Midlands	13,596	17,693	13,974	10,299	8,614	8,217	9.4	9.5	9.8	8.9	9.8	9.3
North West	14,974	21,384	17,158	14,103	11,726	12,325	10.3	11.5	12.1	12.1	13.3	14
Wales	7,636	10,235	7,588	6,447	4,442	5,344	5.3	5.5	5.3	5.5	5.1	6.1
England and Wales	145,350	186,649	142,191	116,181	87,958	84,170	100	100	100	100	100	100

Sources: Answers to Parliamentary Questions - 12/12/91 & 13/2/92; Mortgage possession statistics, Lord Chancellor's Department.

Table 47b Court orders for mortgage repossession: suspended orders 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	1,997	3,368	4,216	3,385	2,820	2,522	4.1	4.9	6.2	5.4	6.2	5.5
Yorkshire & Humberside	3,002	5,103	4,763	4,540	3,154	3,604	6.2	7.4	7.0	7.3	6.9	7.9
East Midlands	3,610	4,480	4,946	4,233	3,185	3,273	7.4	6.5	7.2	6.8	7.0	7.2
East Anglia	1,420	1,991	1,752	2,237	1,291	1,222	2.9	2.9	2.6	3.6	2.8	2.7
Greater London	12,076	13,051	12,444	10,640	8,399	6,705	24.8	18.9	18.2	17.1	18.4	14.7
South East	11,112	17,223	16,832	15,154	10,797	10,696	22.8	24.9	24.6	24.3	23.7	23.5
South West	3,406	5,786	5,182	5,189	3,473	3,428	7.0	8.4	7.6	8.3	7.6	7.5
West Midlands	4,456	6,475	6,384	5,488	4,372	4,223	9.1	9.4	9.3	8.8	9.6	9.3
North West	5,329	8,112	8,123	7,802	5,800	6,347	10.9	11.7	11.9	12.5	12.7	13.9
Wales	2,382	3,457	3,673	3,598	2,253	2,703	4.9	5.0	5.4	5.8	4.9	5.9
England and Wales	48,790	69,046	68,315	62,266	45,544	44,723	100	100	100	100	100	100

Source: As Table 47a.

Table 47c Court orders for mortgage repossession: orders made 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	1,549	2,192	2,138	1,652	1,322	1,179	2.8	3.0	3.6	3.8	4.1	3.7
Yorkshire & Humberside	3,792	5,741	4,171	2,892	2,320	2,222	6.9	7.8	7.1	6.7	7.2	6.9
East Midlands	3,828	5,224	4,346	2,752	2,361	2,122	7.0	7.1	7.4	6.4	7.3	6.6
East Anglia	2,299	3,060	2,328	1,804	1,141	1,101	4.2	4.1	4.0	4.2	3.6	3.4
Greater London	11,146	14,400	11,409	8,825	6,797	6,046	20.4	19.5	19.4	20.5	21.2	18.8
South East	15,422	18,561	14,222	10,484	7,956	7,634	28.2	25.1	24.2	24.4	24.8	23.8
South West	4,812	6,468	5,085	4,056	2,537	2,419	8.8	8.8	8.7	9.4	7.9	7.5
West Midlands	4,582	6,940	5,235	3,358	2,600	2,365	8.4	9.4	8.9	7.8	8.1	7.4
North West	4,708	7,312	6,331	4,897	3,618	3,815	8.6	9.9	10.8	11.4	11.3	11.9
Wales	2,580	3,958	3,403	2,297	1,485	1,632	4.7	5.4	5.8	5.3	4.6	5.1
England and Wales	54,718	73,856	58,668	43,017	32,137	30,535	100	100	100	100	100	100

Sources: As Table 47a.

Table 47d Court orders for mortgage repossession: 1996 - 1999

Region	Numbers											
	Actions entered				Suspended orders				Orders made			
	1996	1997	1998	1999	1996	1997	1998	1999	1996	1997	1998	1999
North East	3,493	3,015	4,298	4,568	2,045	1,577	2,298	2,502	1,157	974	1,171	1,111
Yorkshire & Humberside	7,649	6,881	8,209	8,720	3,844	3,471	4,300	4,329	2,558	2,316	3,068	2,972
East Midlands	5,861	4,928	6,383	6,788	3,036	2,563	3,085	2,774	2,008	1,708	1,716	1,772
Eastern	8,268	6,672	8,498	7,342	4,030	2,982	3,891	3,475	3,391	2,529	2,632	2,216
Greater London	11,389	9,181	11,365	9,996	6,435	4,659	5,327	4,493	4,813	3,426	3,516	3,362
South East	11,647	9,131	11,189	9,371	6,644	5,388	5,812	4,403	3,968	3,120	3,410	2,709
South West	6,412	5,690	7,251	7,000	3,280	2,730	3,035	2,831	2,372	1,928	2,077	2,026
West Midlands	7,578	6,691	8,095	9,483	3,839	3,368	3,757	4,054	2,082	1,996	2,357	2,277
North West	9,865	8,818	11,351	10,735	6,251	4,493	5,233	4,561	3,484	2,666	2,901	2,768
Merseyside	2,775	2,136	2,809	3,131	1,354	1,048	1,226	1,428	555	588	769	917
Wales	4,921	3,930	5,388	5,489	2,670	2,353	2,814	2,217	1,387	1,273	1,660	1,460
England and Wales	79,858	67,073	84,836	82,623	43,428	34,632	40,778	37,067	27,775	22,524	25,277	23,590

Source: Mortgage possession statistics, Lord Chancellor's Department.

Note: Figures in Table 47d are for government office regions; figures in Tables 47a, b & c are for standard statistical regions.

Table 47e Court orders for mortgage repossession: 1996 - 1999 (percentages)

Percentage of the total for England and Wales												
Region	Actions entered				Suspended orders				Orders made			
	1996	1997	1998	1999	1996	1997	1998	1999	1996	1997	1998	1999
North East	4.4	4.5	5.1	5.5	4.7	4.6	5.6	6.7	4.2	4.3	4.6	4.7
Yorkshire & Humberside	9.6	10.3	9.7	10.6	8.9	10.0	10.5	11.7	9.2	10.3	12.1	12.6
East Midlands	7.3	7.3	7.5	8.2	7.0	7.4	7.6	7.5	7.2	7.6	6.8	7.5
Eastern	10.4	9.9	10.0	8.9	9.3	8.6	9.5	9.4	12.2	11.2	10.4	9.4
Greater London	14.3	13.7	13.4	12.1	14.8	13.5	13.1	12.1	17.3	15.2	13.9	14.3
South East	14.6	13.6	13.2	11.3	15.3	15.6	14.3	11.9	14.3	13.9	13.5	11.5
South West	8.0	8.5	8.5	8.5	7.6	7.9	7.4	7.6	8.5	8.6	8.2	8.6
West Midlands	9.5	10.0	9.5	11.5	8.8	9.7	9.2	10.9	7.5	8.9	9.3	9.7
North West	12.4	13.1	13.4	13.0	14.4	13.0	12.8	12.3	12.5	11.8	11.5	11.7
Merseyside	3.5	3.2	3.3	3.8	3.1	3.0	3.0	3.9	2.0	2.6	3.0	3.9
Wales	6.2	5.9	6.4	6.6	6.1	6.8	6.9	6.0	5.0	5.7	6.6	6.2
England and Wales	100	100	100	100	100	100	100	100	100	100	100	100

Source: Mortgage possession statistics, Lord Chancellor's Department.

Note: Figures in Table 47e are for government office regions; figures in Tables 47a, b & c are for standard statistical regions.

Table 48 Court actions for mortgage repossession in England and Wales

Year & Quarter	1996				1997				1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Actions entered	23,987	19,253	19,092	17,526	16,298	16,566	16,778	17,431	18,536	19,449	22,919	23,932	22,525	20,786	19,457	19,794
Suspended orders	12,326	11,475	10,394	9,312	8,920	8,827	8,408	8,477	9,816	9,948	7,938	10,729	10,285	9,967	8,143	7,816
Orders made	7,971	7,577	6,559	5,816	5,729	5,723	5,591	5,481	6,681	6,299	5,319	6,372	5,925	6,125	5,846	4,841

Source: Mortgage possession statistics, Lord Chancellor's Department.

Table 49 Types of letting in the private rented sector

Type of letting	Exclusive of non-private lodgers			Inclusive of non-private lodgers						Exclusive of non-private lodgers			Inclusive of non-private lodgers					
	1988 000s	1990 000s	1993/94 000s	1993/94 000s	1994/95 000s	1995/96 000s	1996/97 000s	1997/98 000s	1998/99 000s	1988 %	1990 %	1993/94 %	1993/94 %	1994/95 %	1995/96 %	1996/97 %	1997/98 %	1998/99 %
Assured	–	360	375	378	367	374	331	321	254	–	20	18	17	17	17	15	14	11
Assured shorthold	–	140	825	826	877	945	1,074	1,165	1,223	–	8	40	38	40	42	47	52	54
Protected shorthold & pre-89 assured	60	40	–	–	–	–	–	–	–	4	2	–	–	–	–	–	–	–
All assured	60	540	1,199	1,204	1,244	1,319	1,406	1,486	1,478	4	30	58	56	57	59	62	66	66
Regulated, registered rent	470	320	245	245	172	167	128	121	107	26	18	12	11	8	7	6	5	5
Regulated, unregistered rent	600	270	162	162	139	105	114	84	81	33	15	8	8	8	8	5	4	4
All regulated	1,070	590	407	407	311	272	242	205	188	59	33	20	19	14	12	11	9	8
Not accessible to the public, rent paid	240	230	146	146	187	204	193	141	156	13	13	7	7	9	9	8	6	7
Not accessible to the public, rent free	270	250	230	230	244	223	223	208	231	15	14	11	11	11	10	10	9	10
All not accessible to the public	510	480	375	375	431	428	417	349	387	28	27	18	17	20	19	18	15	17
Resident landlord	110	90	73	158	181	209	198	178	169	6	4	4	7	8	9	9	8	8
No security	60	90	22	22	30	26	18	38	25	4	5	1	1	1	1	1	2	1
Total	1,810	1,790	2,077	2,166	2,197	2,254	2,280	2,255	2,247	100	100	100	100	100	100	100	100	100

Sources: Housing in England, 1996/97 & 1997/98, Office for National Statistics, and preliminary results from the Survey of English Housing 1998/99, Department of the Environment Transport and the Regions.

Notes: 'Non-private lodgers' are lodgers who are members of owner-occupier or social rented sector households. Such lettings were not identified in the 1988 and 1990 surveys. Lettings not accessible to the public include tied tenancies, lettings of student residences, and lettings at low rents to friends and relatives. Pre-1989 protected shorthold lettings have been grouped with the various forms of assured tenancies, but legally they are a form of regulated tenancy.

Table 50 University of York Index of Private Rents and Yields: annual average valuations weekly rents and gross yields (1999)

	Detached houses		Semi-detached houses		Terrace houses		2 bedroom flats		1 bedroom flats		Bedsits	
	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)
North	95	5.6	78	6.5	64	9.8	63	10.9	57	11.2	40	20.7
Yorkshire & Humberside	102	5.8	81	7.1	66	8.8	66	9.7	60	10.3	38	19.2
North West	115	6.5	88	7.8	66	10.5	69	12.6	60	13.2	40	21.4
West Midlands	124	5.8	98	6.8	80	7.6	77	14.7	69	17.7	45	14.9
East Midlands	91	5.4	73	6.7	61	9.6	62	13.5	56	13.3	37	23.4
East Anglia	130	..	87	..	81	..	77	..	68	..	49	..
South West	129	6.3	108	7.0	94	8.7	93	10.4	78	10.9	47	16.9
South East	196	6.5	144	7.3	121	9.1	108	11.4	89	12.0	51	16.8
Greater London	295	6.3	200	7.1	180	8.3	195	8.7	151	8.6	67	10.7
Scotland	99	5.4	91	6.3	84	7.3	81	9.6	67	11.0	45	13.6
Wales	100	5.8	81	6.8	70	9.2	70	11.3	62	12.8	39	18.6
Northern Ireland	89	5.3	77	7.2	67	8.5	65	10.6	54	9.0	36	10.3
United Kingdom	134	5.9	111	7.1	97	9.1	123	10.4	100	10.7	52	16.9

Notes: 1. Figures in the table are derived from the University of York valuations index. The index is constructed from open market valuations on a specified panel of properties, which are made specifically for the University of York Index by the Rent Officer Service at the local authority level. The valuations have been weighted to reflect the mix of the property types in each district.

2. Figures not provided in the table due to insufficient open market evidence for the vacant possession capital values valuations to be made are denoted by '..'.

3. Gross yield is the annual rent as a proportion of the vacant possession capital value, and is exclusive of running costs and capital gains.

4. Further information about the University of York Index can be obtained from the Centre for Housing Policy, University of York, York, YO10 5DD. Telephone: 01904 43369; Facsimile: 01904 432318; E-mail: UoY.Index@york.ac.uk; Internet: www.york.ac.uk/inst/chp

Section 3 Compendium of tables

Social housing expenditure plans

Table 51 Territorial analysis of identifiable General Government Expenditure in the UK

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Housing expenditure (A)														
England	3,099	2,932	2,957	2,055	3,926	3,549	4,314	4,791	3,905	3,890	3,551	2,981	2,612	2,792
Wales	135	183	231	185	249	323	345	425	388	383	393	281	310	338
Scotland	624	586	562	441	589	649	718	640	646	664	738	613	486	488
Northern Ireland	346	335	337	335	268	245	255	261	237	226	246	244	235	229
United Kingdom	4,204	4,036	4,086	3,015	5,033	4,766	5,631	6,117	5,177	5,164	4,928	4,119	3,642	3,847
All government expenditure (B)														
England	84,557	90,646	96,908	101,681	112,795	124,499	143,581	160,448	170,116	178,402	184,794	189,503	192,038	203,408
Wales	5,565	6,192	6,627	7,121	7,671	8,495	9,367	11,438	11,982	12,549	13,038	13,301	13,423	14,398
Scotland	11,682	12,528	13,277	13,975	14,973	16,308	17,885	20,833	22,229	23,275	24,170	24,386	24,445	25,728
Northern Ireland	4,318	4,620	4,910	5,633	5,930	6,107	6,725	7,476	8,023	8,315	8,644	8,995	9,129	9,654
United Kingdom	106,122	113,986	121,721	128,410	141,368	155,410	177,558	200,195	212,351	222,541	230,646	236,186	239,035	253,188
Housing share of government expenditure (A/B) (percentages)														
England	3.7	3.2	3.1	2.0	3.5	2.9	3.0	3.0	2.3	2.2	1.9	1.6	1.4	1.4
Wales	2.4	3.0	3.5	2.6	3.2	3.8	3.7	3.7	3.2	3.1	3.0	2.1	2.3	2.3
Scotland	5.3	4.7	4.2	3.2	3.9	4.0	4.0	3.1	2.9	2.9	3.1	2.5	2.0	1.9
Northern Ireland	8.0	7.2	6.9	5.9	4.5	4.0	3.8	3.5	3.0	2.7	2.8	2.7	2.6	2.4
United Kingdom	4.0	3.5	3.4	2.3	3.6	3.1	3.2	3.1	2.4	2.3	2.1	1.7	1.5	1.5

Sources: Public Expenditure Analyses, Cm 1520, Cm 1920, Cm 2219, Cm 2519, Cm 2821, Cm 3201, Cm 3601, Cm 3901, Cm 4201 & Cm 4601.

Notes: General Government Expenditure is net of housing capital receipts, which are treated as 'negative expenditure' rather than income. Housing expenditure excludes housing benefit subsidy.

Table 52a **Gross social housing investment in Great Britain***£ billion (cash)*

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England	3,508	3,403	3,271	4,065	4,405	4,286	3,794	3,775	4,077	4,444	6,100	4,430	4,616	5,181	5,055	4,457	3,908	3,700	3,392	3,166	3,258
Wales	153	146	128	185	257	210	180	239	293	295	376	371	370	457	432	417	413	370	305	298	295
Scotland	382	477	513	577	706	583	594	655	836	895	952	942	958	941	992	1,026	961	779	586	647	660
Great Britain	4,043	4,026	3,912	4,827	5,368	5,079	4,568	4,669	5,206	5,634	7,428	5,743	5,944	6,579	6,479	5,900	5,282	4,849	4,139	4,337	4,213

Sources: See Tables 57a, 69, 70 and 74.

Note: Figures exclude private finance. See source tables for further notes.

Table 52b **Gross social housing investment in Great Britain at constant prices***£ billion (1998-99 prices)*

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England	9,720	7,973	7,000	8,135	8,424	7,788	6,548	6,319	6,479	6,614	8,472	5,706	5,599	6,082	5,781	5,025	4,283	3,928	3,355	3,392	3,179
Wales	423	342	274	370	491	382	311	400	466	439	522	478	449	537	494	470	453	393	315	298	288
Scotland	1,059	1,118	1,098	1,154	1,350	1,059	1,025	1,096	1,328	1,332	1,322	1,213	1,162	1,105	1,134	1,157	1,053	827	605	647	644
Great Britain	11,203	9,433	8,372	9,659	10,266	9,230	7,884	7,816	8,273	8,385	10,317	7,397	7,209	7,724	7,410	6,652	5,788	5,148	4,275	4,337	4,110

Sources: As Table 52a.

Note: 1998/99 prices calculated by application of the adjusted GDP deflator.

Table 53 Local authority gross investment plans, including use of capital receipts and RCCOs, in Great Britain

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
England															
Capital provision	1,569	1,512	1,375	1,233	1,695	1,793	1,616	1,435	1,215	1,158	1,087	981	1,223	1,264	1,894
Estate Action	45	75	140	190	180	268	348	357	373	316	252	174	96	66	64
Local resources	1,380	1,659	2,056	3,674	1,245	746	751	1,273	1,219	1,123	1,179	1,245	1,231	1,000	900
Total	2,994	3,246	3,570	5,098	3,122	2,812	2,721	3,065	2,807	2,597	2,518	2,400	2,550	2,330	2,856
Wales															
Capital provision	142	155	122	132	198	212	274	264	271	267	263	216	217	201	194
Local resources	45	75	108	171	71	44	21	37	25	43	13	33	10	18	18
Total	187	230	230	303	269	255	295	301	296	310	277	248	227	219	212
Scotland															
Capital provision	313	411	351	312	322	311	273	285	301	290	267	255	268	263	317
Local resources	141	193	281	332	299	276	307	309	329	295	191	132	179	189	178
Total	454	604	632	643	621	587	580	594	630	585	458	387	447	452	495
Great Britain															
Capital provision	2,069	2,153	1,988	1,867	2,395	2,584	2,511	2,341	2,160	2,031	1,869	1,626	1,804	1,794	2,469
Local resources	1,566	1,927	2,445	4,177	1,615	1,066	1,079	1,619	1,573	1,461	1,383	1,410	1,420	1,207	1,096
Total	3,635	4,080	4,432	6,044	4,012	3,654	3,596	3,960	5,733	3,492	3,253	3,035	3,224	3,001	3,563

Sources: See tables for local authority gross investment in each country.

Notes: Capital provision includes all credit approvals, and capital grants, excluding provision for the Estate Action programme in England, which is shown separately, and the Urban Programme. Local resources comprise use of capital receipts and RCCOs (revenue contributions to capital outlay). Estimates of use of local resources are included for 1999/00 and 2000/01. Welsh capital provision figures include capital wired to Housing for Wales for local housing association schemes. Scottish figures for 1995/96 and 1996/97 exclude provision for transfers of existing new town stock.

Table 54 **Housing associations' gross investment expenditure, including use of private finance, in Great Britain**

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimate	2000/01 estimate
England															
Housing Corporation	809	864	881	1,034	1,234	1,732	2,369	1,843	1,530	1,183	1,068	702	621	620	642
Local authorities	145	156	128	308	193	179	286	388	331	354	327	320	339	340	340
Private finance	0	0	100	150	175	250	1,000	1,050	1,100	1,050	1,050	750	800	800	650
Total	954	1,020	1,109	1,492	1,602	2,161	3,655	3,281	2,961	2,587	2,445	1,772	1,681	1,760	1,632
Housing for Wales															
Capital programme	52	63	66	73	102	115	163	131	122	103	92	63	66	71	59
Local authorities	0	2	7	17	14	17	11	10	4	6	7	6	2	–	–
Private finance	0	8	8	22	33	53	73	70	68	76	75	55	61	65	50
Total	52	72	80	112	149	186	247	211	193	185	174	124	129	136	109
Scottish Homes															
Capital programme	114	132	164	203	195	220	255	263	269	279	256	174	165	172	173
Local authorities	–	–	–	–	11	8	3	10	–	–	–	–	–	–	–
Private finance	0	0	0	5	43	42	63	73	81	118	92	74	85	105	96
Total	114	132	164	208	249	271	321	346	350	397	348	248	250	277	269
Great Britain															
'Housing corporations'	975	1,059	1,111	1,310	1,531	2,067	2,787	2,237	1,921	1,565	1,416	939	852	863	874
Local authority	145	158	135	325	218	204	300	408	335	360	334	326	341	340	340
Private finance	0	8	108	177	251	345	1,136	1,193	1,249	1,244	1,217	879	946	970	796
Total	1,120	1,224	1,353	1,812	2,000	2,618	4,223	3,838	3,504	3,169	2,967	2,144	2,139	2,173	2,010

Sources: See Tables 57, 58, 59, 70 & 77. English private finance figures are author's estimates based on various sources.

Notes: English figures include HAG on deferred interest, but exclude expenditure under the rough sleepers, ERCF and other 'non-ADP' programmes. In Scotland and Wales, councils provide their funding for housing associations through Scottish Homes and Housing for Wales; figures for the latest years are not yet available. Scottish figures exclude provision for NLF repayments, expenditure on Scottish Homes' properties and 'GRO' grants to private developers.

'Housing corporations' include Housing for Wales (Tai Cymru), and Scottish Homes; these are now part of the respective administrations of the Scottish Parliament and the Welsh Assembly. The private finance figures for 1998/99 and 1999/00 include £5 million in each year committed from reserves by housing associations to boost the programme. Great Britain figures for local authority investment in 1999/00 and 2000/01 are based on the estimates for England only.

Table 55 Receipts from council and new town house sales

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	Cumulative total
England																				
Local authorities	655.9	1,240.7	1,768.7	1,316.4	1,107.7	1,061.1	1,237.4	1,697.2	2,652.5	2,700.4	1,616.3	1,089.2	841.4	1,022.9	945.6	670.7	732.7	923.5	932.1	24,212.4
New towns	29.4	38.5	43.0	49.9	49.0	31.2	43.3	62.3	98.1	73.8	21.9	16.6	4.7	4.1	-	-	-	-	-	565.8
Total	685.3	1,279.2	1,811.7	1,366.3	1,156.7	1,092.3	1,280.7	1,759.5	2,750.6	2,774.2	1,638.2	1,105.8	846.1	1,027.0	945.6	670.7	732.7	923.5	932.1	24,778.2
Wales																				
Local authorities	12.1	92.3	111.0	61.4	45.4	43.3	54.4	58.7	113.2	151.9	72.1	50.1	41.8	45.6	49.3	38.9	35.1	48.9	42.9	1,168.4
New towns	2.3	4.7	10.2	4.5	3.4	3.2	0.3	0.5	1.1	1.1	1.2	1.0	0.8	0.8	0.5	0.6	-	-	-	36.2
Total	14.4	97.0	121.2	65.9	48.8	46.5	54.7	59.2	114.3	153.0	73.3	51.1	42.6	46.4	49.8	39.5	35.1	48.9	42.9	1,204.6
Scotland																				
Local authorities	23.7	61.3	101.3	121.3	116.0	104.8	116.4	166.3	254.3	300.6	256.7	239.3	251.4	237.0	244.3	186.6	196.2	228.0	191.8	3,397.3
New towns	12.2	16.5	15.5	22.4	21.3	16.3	19.6	26.2	29.2	48.2	37.0	25.4	22.7	25.0	29.2	21.0	3.7	-	-	391.4
Total	35.9	77.8	116.8	143.7	137.3	121.1	136.0	192.5	283.5	348.8	293.7	264.7	274.1	262.0	273.5	207.6	199.9	228.0	191.8	3,788.7
Great Britain																				
Local authorities	691.7	1,394.3	1,981.0	1,499.1	1,269.1	1,209.2	1,408.2	1,922.2	3,020.0	3,152.9	1,945.1	1,378.6	1,134.6	1,305.5	1,239.2	896.2	964.0	1,200.4	1,166.8	28,778.1
New towns	43.9	59.7	68.7	76.8	73.7	50.7	63.2	89.0	128.4	123.1	60.1	43.0	28.2	29.9	29.7	21.6	3.7	-	-	993.4
Total	735.6	1,454.0	2,049.7	1,575.9	1,342.8	1,259.9	1,471.4	2,011.2	3,148.4	3,276.0	2,005.2	1,421.6	1,162.8	1,335.4	1,268.9	917.8	967.7	1,200.4	1,166.8	29,771.5

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Note: Receipts shown are the selling price of dwellings sold net of discounts. They comprise initial receipts plus the value of any mortgages granted by the local authority or new town.

Table 56 UK local authority housing revenue accounts

£ million

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Income																	
Rent on dwellings:																	
Paid by tenants ¹	576	935	1,778	2,063	2,187	2,239	2,389	2,478	2,813	3,085	2,924	2,740	2,608	2,846	3,042	2,840	3,305
Rent rebates ¹	–	237	541	2,190	2,285	2,389	2,547	2,773	3,003	3,442	4,193	4,799	5,272	5,350	5,428	5,485	5,375
Rent on other properties	22	36	75	108	125	130	144	173	183	192	212	229	222	219	215	209	216
Subsidies:																	
Central government ²	155	700	1,715	537	521	501	577	688	1,132	1,175	1,030	914	741	765	725	710	744
Local authorities ²	96	213	516	578	538	502	537	503	129	–	–	1	–	–	3	1	1
Other income	6	13	133	393	306	305	336	402	409	419	400	402	393	372	368	374	503
Total	896	2,134	4,758	5,869	5,962	6,066	6,530	7,017	7,669	8,313	8,759	9,085	9,236	9,552	9,781	9,619	10,144
Expenditure																	
Supervision and management	75	271	649	1,084	1,172	1,251	1,401	1,551	1,631	1,741	1,855	1,950	2,010	2,134	2,156	2,196	2,218
Repairs	135	370	1,015	1,558	1,616	1,686	1,845	1,982	2,253	2,373	2,491	2,563	2,540	2,737	2,755	2,761	2,771
Debt interest (net)	562	1,254	2,715	2,447	2,591	2,361	2,298	2,341	2,306	2,048	1,834	2,012	2,172	2,188	2,730	2,709	2,760
Capital repayments	100	161	306	449	504	520	549	583	591	603	1,021	996	864	856	568	577	2,884
Other current expenditure	16	17	63	184	118	107	142	246	326	391	413	383	316	270	238	226	239
Balance	8	61	10	147	- 39	141	295	314	562	1,157	1,145	1,181	1,334	1,367	838	1,150	- 728
Total	896	2,134	4,758	5,869	5,962	6,066	6,530	7,017	7,669	8,313	8,759	9,085	9,236	9,552	9,781	9,619	10,144

Source: United Kingdom National Accounts (1980-1999 editions), Office for National Statistics.

Notes: 1. Prior to April 1983, Supplementary Benefit in respect of rent was generally paid direct to tenants. After that date it became housing benefit automatically paid direct to the local authority. As a result of that change those payments transfer from the rent paid by tenants to the rent rebate line. The rent rebate scheme was first introduced in 1972.

2. From April 1990, local authority subsidies were ended in England and Wales. Equivalent amounts were then included in the calculation of central government subsidy under transitional arrangements. Restrictions on local authority subsidies, leading to their phased reduction applied from 1981/82 onwards in Scotland.

Table 57a Housing capital investment in England

£ million (cash)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Gross housing investment																			
Local authority investment:																			
+ New build & acquisitions	1,008	760	736	743	792	704	612	625	782	932	544	431	211	252	105	71	65	52	48
+ HRA stock renovation	670	620	962	1,148	1,280	1,315	1,521	1,742	1,904	2,953	1,721	1,483	1,561	1,710	1,708	1,550	1,452	1,492	1,557
+ Housing association	170	142	134	138	147	120	145	156	128	308	193	179	286	388	331	354	327	320	339
+ Private renovation	263	321	550	1,040	869	581	519	534	458	489	488	545	527	594	565	581	622	480	495
+ Home-ownership	611	776	830	477	391	276	196	188	300	417	176	174	136	121	98	41	52	56	111
+ Urban programme	9	14	23	25	22	27	24	25	34	26	42	29	33	46	-	-	-	-	-
= Local authority total	2,729	2,633	3,235	3,571	3,501	3,023	3,017	3,270	3,604	5,124	3,164	2,841	2,754	3,111	2,807	2,597	2,518	2,400	2,550
+ New towns	165	115	71	85	81	56	40	50	46	39	32	27	18	12	17	20	-	-	-
+ Housing Corporation	508	521	755	734	697	711	715	752	791	935	1,232	1,732	2,369	1,843	1,530	1,183	1,070	746	737
+ HATS	-	-	-	-	-	-	-	-	-	-	-	10	27	78	92	93	90	89	90
+ Other	0	2	4	15	7	4	3	3	2	3	2	6	12	11	11	15	22	13	15
= Total gross investment (A)	3,403	3,271	4,065	4,405	4,286	3,794	3,775	4,077	4,444	6,100	4,430	4,616	5,181	5,055	4,457	3,908	3,700	3,248	3,392
Capital receipts																			
Local authority																			
+ New towns	19	38	63	84	88	64	98	143	226	207	111	195	47	166	61	68	-	-	-
+ Housing Corporation	13	29	76	110	86	101	129	117	139	125	78	93	63	48	43	31	540	671	4
+ Other	4	2	0	0	1	2	2	4	2	2	0	0	0	0	0	0	0	0	0
= Total capital receipts (B)	1,073	1,754	2,630	2,351	2,117	2,004	2,262	2,633	3,790	3,653	2,584	1,837	1,542	2,044	1,628	1,423	1,613	1,961	1,613
Net housing investment																			
Local authority																			
+ New towns	146	77	8	1	-7	-8	-58	-93	-180	-168	-79	-168	-29	-154	-44	-48	-	-	-
+ Housing Corporation	495	492	679	624	611	610	586	635	652	810	1,154	1,639	2,306	1,795	1,487	1,153	530	75	733
+ HATS	-	-	-	-	-	-	-	-	-	-	-	10	27	78	92	93	90	89	90
+ Other	-3	2	4	14	6	3	1	-1	0	1	2	6	12	11	11	15	22	-	-
+ Total net investment (A-B)	2,330	1,517	1,436	2,054	2,169	1,790	1,513	1,444	654	2,447	1,846	2,779	3,638	3,011	2,829	2,486	2,087	1,274	1,764

Sources: Public Expenditure Plans, Department of the Environment, Transport and the Regions.

Notes: Local authority capital receipts are shown gross of loans to purchasing council tenants, which are also included as expenditure in the home-ownership row. Expenditure for the Housing Corporation for the years to 1989/90 exclude capitalised interest, which has only in recent years been added to the Corporation's expenditure total. Local authority stock renovation includes the Estate Action programme. All 1997/98 and 1998/99 figures are provisional.

Table 57b **Housing capital investment in England at constant prices**

£ million (1997/98 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Gross housing investment																			
Local authority investment:																			
+ New build & acquisitions	2,275	1,567	1,421	1,371	1,387	1,135	937	897	1,047	1,158	636	488	233	274	111	73	67	52	47
+ HRA stock renovation	1,512	1,278	1,857	2,118	2,242	2,121	2,329	2,499	2,549	3,668	2,013	1,678	1,721	1,859	1,804	1,588	1,488	1,492	1,519
+ Housing association	384	293	259	255	257	194	222	224	171	383	226	202	315	422	350	363	335	320	331
+ Private renovation	594	662	1,062	1,918	1,522	937	795	766	613	607	571	617	581	646	597	595	637	480	483
+ Home-ownership	1,379	1,600	1,602	880	685	445	300	270	402	518	206	197	150	132	103	42	53	56	108
+ Urban programme	20	29	44	46	39	44	37	36	46	32	49	33	36	50	0	0	0	0	0
= Local authority total	6,160	5,429	6,245	6,589	6,131	4,876	4,620	4,692	4,825	6,365	3,701	3,214	3,036	3,382	2,964	2,661	2,580	2,400	2,488
+ New towns	372	237	137	157	142	90	61	72	62	48	37	31	20	13	18	20	0	0	0
+ Housing Corporation	1,147	1,074	1,458	1,354	1,221	1,147	1,095	1,079	1,059	1,161	1,441	1,959	2,612	2,003	1,616	1,212	1,096	746	719
+ HATS	-	-	-	-	-	-	-	-	-	-	-	11	30	85	97	95	92	89	88
+ Other	0	4	8	28	12	6	5	4	3	4	2	7	13	12	12	15	23	13	15
= Total gross investment (A)	7,682	6,744	7,847	8,127	7,506	6,119	5,781	5,849	5,949	7,578	5,181	5,222	5,712	5,495	4,706	4,004	3,791	3,248	3,309
Capital receipts																			
Local authority																			
+ New towns	43	78	122	155	154	103	150	205	303	257	130	221	52	180	64	70	0	0	0
+ Housing Corporation	29	60	147	203	151	163	198	168	186	155	91	105	69	52	45	32	553	671	4
+ Other	9	4	0	0	2	3	3	6	3	2	0	0	0	0	0	0	0	0	0
= Total capital receipts (B)	2,422	3,616	5,077	4,338	3,708	3,232	3,464	3,778	5,074	4,538	3,022	2,078	1,700	2,222	1,719	1,458	1,653	1,961	1,574
Net housing investment																			
Local authority																			
+ New towns	330	159	15	2	- 12	- 13	- 89	- 133	- 241	- 209	- 92	- 190	- 32	- 167	- 46	- 49	0	0	0
+ Housing Corporation	1,117	1,014	1,311	1,151	1,070	984	897	911	873	1,006	1,350	1,854	2,542	1,951	1,570	1,181	543	75	715
+ HATS	-	-	-	-	-	-	-	-	-	-	-	11	30	85	97	95	92	89	88
+ Other	- 7	4	8	26	11	5	2	- 1	0	1	2	7	13	12	12	15	23	0	0
+ Total net investment (A-B)	5,260	3,128	2,772	3,790	3,799	2,887	2,317	2,072	876	3,040	2,159	3,144	4,011	3,273	2,987	2,547	2,138	1,274	1,721

Sources and Notes: As Table 57a.

Table 58 Housing capital provision in England

£ million

	1985/86 outturn	1986/87 outturn	1987/88 outturn	1988/89 outturn	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 estimated outturn	2000/01 plans	2001/02 plans
Housing Corporation																	
Gross (A)	841	809	864	881	1,034	1,234	1,732	2,369	1,843	1,530	1,183	1,070	746	737	827	762	696
– Capital receipts	105	132	124	143	127	78	93	63	48	43	31	40	17	4	3	5	5
– Mortgage portfolio receipts												500	654				
= Net Housing Corporation (B)	737	677	740	738	907	1,154	1,639	2,306	1,795	1,487	1,153	530	75	733	824	757	691
Local authorities																	
Credit approvals	1,586	1,423	1,362	1,178	908	1,384	1,441	1,194	1,020	872	820	751	492	416	452	1,820	2,305
+ Receipts initiative approvals													174	570	570		
+ Capital grants	138	146	150	197	325	311	352	422	415	327	323	297	260	219	238	72	75
+ Estate Action		45	75	140	190	180	268	348	357	373	316	252	174	96	66	64	39
+ Estate Renewal Challenge Fund												26	51	18	4		
= Total capital provision (C)	1,721	1,613	1,588	1,514	1,424	1,877	2,066	1,970	1,792	1,572	1,459	1,326	1,151	1,319	1,330	1,956	2,419
+ LA 'self financed'	1,275	1,380	1,659	2,056	3,674	1,245	746	751	1,273	1,235	1,138	1,192	1,245	1,231	1,000	900	800
= Gross LA capital (D)	2,996	2,993	3,247	3,570	5,098	3,122	2,812	2,721	3,065	2,807	2,597	2,518	2,400	2,550	2,330	2,856	3,219
HATS (E)							10	27	78	92	93	90	88	90	86	88	88
Total central government capital provision (B+C+E)	2,458	2,290	2,328	2,252	2,331	3,031	3,715	4,303	3,665	3,151	2,705	1,946	1,318	2,142	2,240	2,801	3,198
Total gross capital (A+D+E)	3,837	3,802	4,111	4,451	6,132	4,356	4,554	5,117	4,986	4,429	3,873	3,678	3,234	3,377	3,243	3,706	4,003

Sources: Cm 1508, Cm 1908, Cm 2207, Cm 2507, Cm 2807, Cm 3207, Cm 3906 & Cm 4204, Department of the Environment, Transport and the Regions.

Notes: Estimates of local authority 'self financed' and total capital spending for 1998/99 and subsequent years. Credit approvals are shown net of provision for the Estates Action programme. This is shown separately, as from 1994/95 the programme has been switched to the Single Regeneration Budget. Capital grants include Gypsy site grant and other minor capital programmes.

Table 59 **Housing Corporation Approved Development Programme***£ million*

Item	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 plans	2001/02 plans	2002/03 plans
Housing for rent	826	1,006	1,525	2,199	1,539	1,246	948	851	541	506	538	573	592	592
+ Housing for sale	107	65	87	124	290	280	234	216	160	115	81	68	66	65
+ HAG on deferred interest	99	158	118	45	14	3	1	1	0	0	0	0	0	0
+ Other capital expenditure	2	3	2	1	1	1	0	0	1	0	1	1	1	1
= Gross capital expenditure	1,034	1,232	1,732	2,369	1,843	1,530	1,183	1,068	702	621	620	642	658	658
- ADP capital receipts	127	78	93	63	48	43	31	37	17	4	5	5	5	5
- Non-ADP capital receipts								500	654					
= Net capital expenditure	907	1,154	1,639	2,306	1,795	1,487	1,153	531	31	617	615	637	653	653

Sources: Cms 1508, 3207, 3607 & 4204, Housing Corporation ADP Bulletins March 1999 and March 2000.

Notes: Housing for rent figures include major repairs, mini-HAG, Rough Sleepers Initiative and City Challenge, but exclude ERCF. Housing for sale includes Purchase Grant from 1996/97.

Non ADP receipts are the receipts from the sale of the Housing Corporation loans portfolio.

Table 60 Housing Corporation planned revenue expenditure

£ million

Item	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimate	2001/02 plans
Supported Housing Management Grant	29	39	62	95	98	128	123	136	135	121	135	139	145
+ Other grants and subsidies	25	29	42	41	48	72	75	82	73	29	19	15	13
+ Running costs	20	24	25	28	30	31	31	32	29	28	30	31	31
= Total revenue expenditure	74	91	129	164	176	231	229	250	237	177	184	185	189

Sources: Cms 1508, 3207, 3607 & 3906, Housing Corporation. All figures from 1997/98 onwards are from the Housing Corporation.

Notes: Supported Housing Management Grant replaced Special Needs Management Allowance, which previously replaced Hostel Deficit Grant. 'Other grants and subsidies' includes the grants for Corporation Tax relief, Rough Sleepers Initiative, ERCF revenue funding, and Innovation and good practice grants. Figures for 2001/02 are subject to revision following the conclusion of the Spending Review 2000.

Table 61a Local authority housing capital expenditure in England by region

£ million

Region ¹	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Northern/North East	198.5	179.4	142.0	124.4	110.9	137.6	143.8
Yorkshire & Humberside	240.6	235.6	282.4	248.6	231.0	251.2	242.9
North West	362.2	356.7	316.7	297.3	274.8	296.2	275.0
East Midlands	218.2	193.3	128.9	121.8	96.6	114.1	115.4
West Midlands	330.2	289.8	299.7	296.8	255.3	274.3	263.6
East Anglia/Eastern	95.9	76.7	210.3	210.2	196.2	226.2	240.3
Greater London	716.6	651.7	703.1	662.7	683.0	720.1	678.9
South East	471.3	454.8	345.1	330.6	324.8	383.7	399.9
South West	230.5	265.8	172.9	153.2	136.0	162.6	159.8
England	2,864.1	2,703.9	2,601.1	2,445.6	2,308.7	2,566.0	2,519.5

Table 61b Local authority regional shares of housing capital expenditure in England

Percentages

Region	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Shares of 'GNI' ²
Northern/North East	6.9	6.6	5.5	5.1	4.8	5.4	5.7	4.5
Yorkshire & Humberside	8.4	8.7	10.9	10.2	10.0	9.8	9.6	8.1
North West	12.6	13.2	12.2	12.2	11.9	11.5	10.9	9.7
East Midlands	7.6	7.1	5.0	5.0	4.2	4.4	4.6	6.0
West Midlands	11.5	10.7	11.5	12.1	11.1	10.7	10.5	9.1
East Anglia/Eastern	3.3	2.8	8.1	8.6	8.5	8.8	9.5	8.4
Greater London	25.0	24.1	27.0	27.1	29.6	28.1	26.9	36.2
South East	15.9	12.8	12.7	13.3	16.6	15.6	15.9	10.9
South West	8.0	9.8	6.6	6.3	5.9	6.3	6.3	9.9
England	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Housing Finance Surveys 1997/98 & 1999/00, Local Government Association.

Notes: Due to differences in grossing for incomplete returns the LGA survey figures are not consistent with other tables in the Review, that are derived from the Department of the Environment, Transport and the Regions. The LGA's Housing Finance Survey for 2000/2001 did not include questions about local authorities' capital expenditure.

1. Standard regions for 1993/94 & 1994/95; government office regions thereafter, boundary changes impact on the North West & South East, as well as those shown with a revised regional name.

2. The 'GNI' is the General Needs Index of statistical indicators used in the regional allocation of housing capital guidelines. The GNI regional shares shown are those for 1994/95.

Table 62a Estate Action programme

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Financial provision (£m)	45	75	140	190	180	268	348	357	373	316	252	174	96	67	64	39
Continuing schemes	0	85	130	213	212	210	236	245	285	275	197	109	47	–	–	–
New schemes started,	138	106	190	162	118	163	162	163	115	–	–	–	–	–	–	–
of which involving private finance	18	22	14	30	41	77	107	105	57	–	–	–	–	–	–	–
Dwellings improved	–	47,000	79,400	63,700	49,500	62,600	69,200	66,000	46,178	26,313	20,239	10,997	6,956	–	–	–
Disposals to the private sector	3,400	3,200	4,000	4,200	2,500	3,800	3,000	3,900	4,543	914	151	71	84	–	–	–
Estates where tenants participate in management	3	7	8	30	47	46	53	39	56	–	–	–	–	–	–	–

Sources: Cms 1508, 1908, 2207, 2507, 2807, 3207, 3607, 3906 & 4204.

Notes: From 1994/95 the Estate Action programme has formed part of the Single Regeneration Budget (SRB), and from 1995/96 funding is provided only to complete existing schemes. Disposals of dwellings do not include Right to Buy sales.

Table 62b City Challenge programme housing outputs

	1995/96 actual	1996/97 actual	1997/98 actual	Five-year outputs
Dwellings completed or improved	26,038	28,989	13,277	110,154
of which, dwellings for sale	2,876	3,786	1,539	10,520

Sources: Cms 3906 & 4204.

Notes: The programme has been discontinued, with few completions in 1998/99 & 1999/00.

Table 62c Single Regeneration Budget programme housing outputs

	1995/96 Round 1 actual	1996/97 Rounds 1&2 actual	1997/98 Rounds 1,2 & 3 actual	1998/99 Rounds 1,2,3 & 4 actual	Lifetime outputs Rounds 1 to 5 forecast
Dwellings completed or improved	6,960	20,530	36,090	60,680	308,000
Dwellings and buildings with improved security	16,780	40,140	61,250	84,790	393,000

Sources: Cms 3906 & 4204.

Table 63a Large scale voluntary transfers of council housing in England, December 1988 – March 2000

	Number of councils	Number of dwellings	Total transfer price £m	Average price per dwelling £	Loan facilities at transfer £m	Council housing debt £m	Set up costs £m	Treasury 'levy' £m	Useable receipt £m	Net balance £m
1988/89	2	11,176	98.4	8,740	130.7	46.0	2.9	–	23.9	25.6
1989/90	2	14,405	102.2	7,090	123.5	66.0	3.0	–	24.8	8.4
1990/91	11	45,512	414.4	9,110	708.4	176.6	21.9	–	98.1	117.8
1991/92	2	10,791	92.1	8,540	176.5	51.1	4.9	–	21.8	14.3
1992/93	4	26,325	238.0	9,040	319.0	19.8	12.2	–	56.5	149.6
1993/94	9	30,103	270.5	8,990	455.3	96.6	13.9	22.8	58.4	78.7
1994/95	10	40,510	406.3	10,034	745.4	111.3	22.3	53.4	84.5	135.4
1995/96	11	44,595	477.8	10,691	963.1	208.8	23.1	47.4	98.6	107.2
1996/97	5	22,248	192.6	8,593	419.5	63.5	10.9	9.6	43.5	69.9
1997/98	6	24,405	259.6	10,637	498.2	34.0	14.2	–	61.4	150.1
1998/99	11	56,072	484.1	8,613	938.0	217.7	20.6	–	115.9	151.4
1999/00	14	80,405	658.9	7,992	1,191.0	317.2	47.8	9.6	150.4	199.7
Total	82	406,587	3,694.9	9,039	6,668.6	1,408.6	197.6	142.8	837.8	1,208.1

Sources: Department of the Environment, Transport and the Regions, author's calculations.

Notes: For the years to 1996/97 the useable receipt is the lower of either 25 per cent of the transfer price net of set up costs, or the balance left after the council housing debt and the set up costs have been covered. The net balance is the sum available after the council housing debt and the set up costs and the useable receipt have all been covered. For stock transfers approved by the Department of the Environment following the 1993/94 LSVT Review, a 20 per cent Treasury 'levy' was imposed on the receipt net of the council house debt. The 'levy' was also deducted before calculating the 25 per cent useable receipt. The requirement for a 'levy' was suspended for three years by the 1996 Budget, as was the qualification that the 25 per cent useable receipt required the balance of the receipt to be sufficient to cover the HRA debt. The net balance must first be set aside against any other outstanding council debt (on the 'General Fund'). Any remaining receipt can then also be used for capital investment. For authorities transferring since April 1997 the available HRA debt figures are those at the end of the financial year before transfer, and the useable receipt and net balance figures are therefore only approximate estimates. ERCF supported transfers are not included in the above table.

Table 63b Large scale voluntary transfers of council housing in England, April 1999 – March 2000

Authority	Date of transfer	Number of dwellings	Transfer price £m	Price per dwelling £	Loan facilities at transfer £m	Housing debt (HRA) £m	Set up costs £m	Treasury 'levy' £m	Useable receipt £m	Net balance £m
West Lindsey	18/10/99	3,929	30.7	7,814	66	14.0	2.5	2.9	6.3	5.0
Boston	29/11/99	4,871	43.4	8,907	81	8.5	1.6	6.7	8.8	17.8
Tynedale	20/12/99	3,564	33.9	9,500	49	2.7	2.1	0.0	8.0	21.2
Newcastle under Lyme	31/1/00	9,887	54.0	5,462	105	19.2	4.1	0.0	12.5	18.2
Restormel	7/2/00	3,577	25.1	7,018	55	7.2	1.2	0.0	6.0	10.7
Manchester	14/2/00	600	0.9	1,500	30	8.4	0.5	0.0	0.1	0.0
North Devon	21/2/00	3,293	44.3	13,438	70	5.0	3.0	0.0	10.3	26
Burnley	8/3/00	5,330	22.4	4,205	45	37.6	2.3	0.0	5.0	0.0
Manchester	20/3/00	1,655	2.4	1,419	23	23.2	0.5	0.0	0.5	0.0
Weymouth & Portland	20/3/00	3,105	31.0	9,983	55	17.8	2.4	0.0	7.2	3.7
Huntingdon	20/3/00	6,650	63.4	9,534	95	14.4	4.4	0.0	14.8	29.9
Elmbridge	27/3/00	4,894	56.9	11,626	93	14.2	4.2	0.0	13.2	25.3
Test Valley	27/3/00	5,495	80.0	14,559	111	27.6	5.1	0.0	18.7	28.6
Wyre Forest	27/3/00	6,056	41.0	6,762	80	15.2	4.1	0.0	9.2	12.5
Manchester	27/3/00	1,033	2.0	1,942	20	14.5	0.5	0.0	0.4	0.0
Tameside	27/3/00	16,466	127.5	6,763	213	87.7	9.3	0.0	29.6	0.9
Total/average		80,405	658.9	7,992	1,191	317.2	47.8	9.6	150.4	199.7

Source and Notes: As Table 63a.

Table 63c Estates Renewal Challenge Fund supported transfers of council housing in England, April 1997 – March 2000

Authority	Date of transfer	Number of dwellings	ERCF grant £m	Grant per dwelling £	Loan facilities at transfer £m	Set up cost grant £m
1997/98 Total/average		8,577	126.8	14,773	192.4	5.37
Lambeth	20/7/98	681	8.6	12,555	13.8	0.25
Tower Hamlets	7/12/98	2,431	19.0	7,805	58.0	1.15
Wirral	25/1/99	1,082	5.2	4,799	12.5	0.45
Tameside	1/2/99	901	9.6	10,655	8.1	0.10
Liverpool	5/3/99	646	6.1	9,505	11.0	0.25
Hackney	15/3/99	1,084	10.1	9,339	24.0	0.46
Hammersmith & Fulham	17/3/99	668	9.4	14,027	16.0	0.28
Hackney	22/3/99	1,000	20.0	19,975	38.0	0.37
Manchester	29/3/99	6,667	21.1	3,165	35.0	2.90
Greenwich	29/3/99	1,280	18.0	14,077	32.0	0.50
Hackney	29/3/99	661	13.2	20,030	29.0	0.26
Allerdale	31/3/99	727	4.0	5,451	8.0	0.29
1998/99 Total/average		17,828	144.3	8,091	285.4	7.26
Preston	14/6/99	1,121	9.6	8,576	3.1	0.45
Lambeth	5/7/99	2,358	15.7	6,667	38.0	0.94
Birmingham	21/6/99	2,813	49.0	17,401	37.0	0.87
Islington	26/9/99	647	4.3	6,646	14.0	0.25
Islington	26/9/99	739	18.4	24,898	18.4	0.27
Liverpool	4/10/99	4,382	43.8	9,990	38.5	1.87
Lambeth	25/10/99	1,033	7.0	6,805	26.5	0.61
Hackney	6/3/00	1,095	13.2	12,082	35.0	0.45
Hackney	6/3/00	1,241	15.4	12,379	34.0	0.50
Tower Hamlets	27/3/00	1,551	21.3	13,718	45.0	0.54
1999/00 Total/average		16,980	197.7	11,641	289.5	6.75
Overall Total/average		43,385	468.8	10,801	767.3	19.38

Source: Department of the Environment, Transport and the Regions.

Table 64 Local authority housing revenue accounts in England

£ million

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Income											
Gross rent from dwellings	4,887.8	5,449.2	6,021.8	6,423.6	6,636.2	6,801.6	6,942.3	6,991.1	6,937.7	6,963.1	6,943.9
+ Other rents	164.2	168.7	189.5	205.4	190.4	187.6	180.0	179.4	177.6	179.1	178.9
+ Housing subsidy	3,486.4	3,687.4	3,958.2	4,059.3	4,069.3	3,853.4	3,790.2	3,633.5	3,298.2	3,232.2	3,086.6
+ Interest income	259.3	207.3	182.4	145.8	139.0	149.5	133.5	136.9	146.3	107.3	92.2
+ LA subsidy (sums directed)	0.8	2.9	1.7	0.6	4.0	3.4	3.0	4.7	6.6	2.7	6.7
+ Other income	323.4	418.7	323.4	339.2	349.8	341.3	353.4	347.6	350.8	342.0	347.1
= Total income	9,121.9	9,934.2	10,677.0	11,173.9	11,388.7	11,336.8	11,402.4	11,293.2	10,917.2	10,826.4	10,655.5
Expenditure											
Supervision and management	1,470.9	1,593.7	1,682.5	1,781.1	1,832.9	1,817.2	1,873.3	1,899.5	1,963.6	1,965.9	1,992.1
+ Repairs	1,971.2	2,009.7	2,119.4	2,174.0	2,232.5	2,202.6	2,214.4	2,189.2	2,201.0	2,181.3	2,115.6
+ Revenue to capital	268.7	437.5	390.4	333.5	463.1	621.7	542.0	462.0	389.6	319.9	285.2
+ Charge for capital	2,706.6	2,461.4	2,437.2	2,515.2	2,487.6	2,270.1	2,218.7	2,204.2	2,148.5	2,062.2	1,977.6
+ Gross rebates	2,468.1	2,945.8	3,526.1	3,947.3	4,132.8	4,271.3	4,351.3	4,307.1	4,224.8	4,258.7	4,196.0
+ Transfers	22.9	20.7	38.8	18.4	22.1	34.3	61.6	55.2	67.5	83.9	75.4
+ Other expenditure	278.6	381.2	415.8	310.0	234.7	171.0	165.4	185.0	195.4	152.6	163.1
= Total expenditure	9,187.0	9,850.0	10,610.2	11,079.5	11,405.7	11,388.2	11,435.6	11,320.3	11,190.3	11,053.3	10,805.0
Balances											
End of year balances	317.4	462.5	595.2	730.0	751.8	728.7	687.0	691.6	656.1	295.1	327.9
Changes in balances	- 65.5	131.3	142.6	105.6	6.7	- 55.3	- 43.4	- 7.9	- 66.8	- 181.4	- 139.8
Average number of dwellings (000s)	3,969	3,872	3,802	3,713	3,616	3,517	3,435	3,355	3,252	3,105	2,973

Source: Department of the Environment, taken from local authority subsidy claim forms, grossed up for missing authorities.

Notes: Repair expenditure includes net transfers to repair accounts. Housing subsidy comprises basic housing subsidy plus housing benefit subsidy. For an analysis of housing subsidy see Table 65. The total income and expenditure figures exclude balances. Figures for end of year balances, and changes in balances, do not tally as they reflect the revisions made in each year's subsidy claim forms. Stock figures are the average for the beginning and end of the year. All figures for 1999/00 and 2000/01 are estimates.

Table 65 Rent 'surpluses', housing subsidy and housing benefit subsidy

£ million

	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 estimate	2000-01 plans	2001-02 plans
Positive housing subsidy	1,357	1,156	1,003	827	777	644	666	657	512	534	458	430
– Rent 'surpluses'	201	283	495	706	885	1,051	1,146	1,220	1,295	1,418	1,473	1,508
= Net housing subsidy	1,156	873	508	121	- 108	- 408	- 481	- 563	- 740	- 884	- 1,015	- 1,078
Gross rent rebates	2,505	2,877	3,453	4,005	4,250	4,431	4,455	4,345	4,215	4,254	4,161	4,174
– Rent 'surpluses'	201	283	495	706	885	1,051	1,146	1,220	1,295	1,418	1,473	1,508
= Net rebate subsidy	2,304	2,594	2,958	3,299	3,365	3,380	3,309	3,125	2,825	2,836	2,688	2,666
+ Positive housing subsidy	1,357	1,156	1,003	827	777	644	666	657	512	534	458	430
= Total HRA subsidy	3,661	3,750	3,961	4,126	4,142	4,023	3,975	3,783	3,337	3,370	3,146	3,096

Sources: Department of the Environment, Transport and the Regions Annual Reports, Cm 2807, Cm 3207, Cm 3607, Cm 3906, Cm 4204 & Cm 4604.

Notes: Rent surpluses are technically described as 'negative housing subsidy entitlements'.

Table 66 Rents and earnings in England

£ per week

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities:																				
Subsidy guideline	8.47	11.42	13.92	14.77	15.52	16.12	16.77	17.42	19.02	20.97	23.05	24.89	27.34	29.40	31.60	33.88	34.70	35.36	36.35	37.81
Average rent	7.70	11.42	13.48	13.97	14.66	15.54	16.36	17.20	18.82	20.70	23.74	27.29	30.57	33.62	35.68	38.31	40.10	41.18	42.24	43.82
Housing associations:																				
Fair rents	12.52	13.98	15.63	17.19	18.69	19.75	21.44	22.86	25.00	26.83	29.94	32.73	36.48	38.50	42.15	44.46	48.25	51.35	54.51	–
Assured rents										24.50	28.97	33.93	39.03	44.87	45.90	48.42	50.24	51.40	53.16	53.84
Private tenants:																				
Unfurnished fair rents	10.85	12.40	14.05	14.85	16.71	17.44	19.84	20.60	24.00	24.38	28.63	31.73	35.96	38.83	42.62	45.58	50.65	53.61	59.24	–
Unfurnished market rents										37.42	44.80	54.10	56.96	61.15	64.58	68.71	69.18	71.11	72.01	–
Average male earnings	111.4	121.6	133.4	143.5	152.6	163.8	175.0	186.4	201.7	219.2	238.6	254.2	268.9	275.7	282.6	292.5	302.8	315.6	329.1	336.0
Rents as a % earnings:																				
Local authority rents	6.9	9.4	10.1	9.7	9.6	9.5	9.3	9.2	9.3	9.4	9.9	10.7	11.4	12.2	12.6	13.1	13.2	13.0	12.8	13.0
H.A. fair rents	11.2	11.5	11.7	12.0	12.2	12.1	12.3	12.3	12.4	12.2	12.5	12.9	13.6	14.0	14.9	15.2	15.9	16.4	16.6	–
H.A. assured rents										11.2	12.1	13.3	14.5	16.3	16.2	16.6	16.6	16.3	16.2	16.0
Private fair rents	9.7	10.2	10.5	10.3	11.0	10.6	11.3	11.1	11.9	11.1	12.0	12.5	13.4	14.1	15.1	15.6	16.7	16.5	18.0	–
Private market rents										17.1	18.8	21.3	21.2	22.2	22.9	23.5	22.8	22.3	21.9	–

Sources: Cm 1908, Cms 288-II, Regional Trends, Determination of Reckonable Income 1988/89, Rent Officer Statistics, Answer to Parliamentary Question 26/7/93. Housing and Construction Statistics, New Earnings Surveys, CORE Quarterly Bulletin.

Notes: Local authority average rents are for the April of each year; the guideline rents refer to the financial year. The average local authority rent for April 1999 is £43.82, and the average guideline rent for 1999/00 is £37.62. Housing association assured rents exclude service charges. Private market rents are those determined by the rent officer when referred for housing benefit purposes. 1998 housing association fair rents, and private fair and market rent figures are for the second quarter of the year. Earnings figures are average male manual earnings for England. Fair rent figures for 1999 were not available, at time of compilation, because of possible revisions to fair rents following the legal challenge to 'rent capping'. Market rent figures for 1999 were not available, at time of compilation, because of problems with the processing of rent officer data.

Table 67 **Average weekly local authority rents by region***£ per week*

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Increase 1988/89 to 1999/00
													%
London	22.06	24.65	29.10	36.76	41.77	45.72	47.05	50.76	53.11	54.34	55.44	58.00	162.9
Eastern	18.15	19.68	23.88	27.89	31.55	35.10	37.72	40.20	41.41	42.74	44.70	45.61	151.3
Rest of South East	20.11	22.33	27.18	31.21	35.34	38.82	42.01	44.40	45.99	47.09	48.39	50.43	150.8
South West	18.59	20.00	24.21	27.17	31.13	34.34	37.18	39.62	40.79	41.65	42.21	43.59	134.5
Merseyside	19.57	20.71	22.13	25.99	28.28	29.73	32.14	37.47	41.43	41.86	42.37	42.93	119.4
North West	17.66	19.76	21.94	24.64	27.57	29.85	32.22	34.63	36.80	37.49	38.51	40.18	127.5
West Midlands	18.61	20.79	23.78	25.98	28.86	31.47	33.13	35.34	37.29	37.92	39.60	40.28	116.4
East Midlands	17.82	19.33	21.12	23.23	25.66	27.91	30.02	32.62	34.23	35.65	36.74	38.13	114.0
North East	18.25	19.82	21.02	23.17	25.39	28.09	30.00	32.25	33.37	34.08	35.29	36.76	101.4
Yorkshire & Humberside	17.31	18.35	19.84	21.78	23.54	25.63	27.67	29.75	31.49	32.54	33.64	35.11	102.8
England	19.01	20.86	23.92	27.59	30.84	33.70	35.79	38.41	40.17	41.23	42.33	43.92	131.0

Source: Department of the Environment, Transport and the Regions.

Notes: Rent figures are the average for the financial year. 1999/00 figures are provisional.

Table 68 Housing association and private sector assured rents in 1998/99

£ per week

Letting type & size of dwelling	North West	Merseyside	North East	Yorkshire & Humberside	West Midlands	East Midlands	Eastern	London	South East	South West
Housing associations	£	£	£	£	£	£	£	£	£	£
Relets:										
Bedsits	41.33	36.53	40.57	39.72	46.29	44.63	44.30	49.13	50.26	45.84
One bedroom	49.53	40.37	43.69	46.91	49.69	49.13	49.82	55.01	55.36	50.96
Two bedroom	51.28	42.64	48.26	50.65	53.18	54.03	58.36	65.67	64.13	57.10
Three bedroom	56.76	50.76	54.01	56.99	59.58	58.00	64.91	76.28	72.94	63.25
Four (+) bedroom	65.32	52.59	59.54	64.61	68.20	62.15	72.13	84.83	80.30	68.39
New lets:										
Bedsits	49.86	55.00	–	46.34	44.48	43.31	44.20	56.16	57.58	45.88
One bedroom	52.17	49.84	47.00	49.96	49.80	52.10	53.66	59.08	56.72	53.16
Two bedroom	57.02	50.53	51.66	57.33	55.30	55.36	61.80	68.88	66.80	59.13
Three bedroom	62.46	59.24	56.10	62.84	59.59	57.88	69.73	79.59	75.03	64.21
Four (+) bedroom	70.63	63.40	58.62	71.54	67.94	62.66	79.96	91.98	83.17	72.56
Private unfurnished lettings										
Property specific rents:										
Bedsits	50.62	46.40	49.05	45.54	50.49	43.30	53.44	84.85	60.71	53.43
One bedroom	63.52	60.50	58.06	59.46	64.48	56.75	71.40	114.40	77.94	69.24
Two bedroom	70.40	71.86	67.02	68.03	74.64	65.66	84.33	137.67	98.55	82.78
Three bedroom	79.58	75.62	77.03	73.28	79.82	71.35	92.29	151.46	111.91	91.37
Four bedroom	90.51	86.03	91.92	81.58	89.04	77.17	103.50	175.36	123.96	103.28
Local reference rents:										
Bedsits	47.89	44.03	47.08	40.95	44.97	39.38	50.65	73.38	57.08	50.71
One bedroom	56.74	57.11	48.27	53.75	58.17	51.40	67.89	96.90	73.70	65.84
Two bedroom	65.69	68.71	54.58	63.74	70.15	61.28	81.69	120.82	93.97	79.35
Three bedroom	72.20	73.90	58.02	67.52	74.35	64.41	88.60	134.31	104.29	85.91
Four bedroom	79.27	81.11	65.67	71.70	78.76	66.84	95.46	152.43	113.90	95.85

Source: Guide to local rents 1999, Source 38, Housing Corporation.

Notes: Rents for housing associations are for all lettings of assured tenancies, including those in sheltered schemes. Rents are inclusive of service charges eligible for housing benefit. Rents for private unfurnished lettings are the averages determined by rent officers in housing benefit cases. The property specific rents are those set for the specific properties referred to rent officer, and are not representative of the overall private rented market. The local reference rents are the rent officer's estimate of the local average market rent for the localities in which the referred tenancies are located. Rents for private lets are categorised by the number of habitable rooms. It is assumed that all private lettings comprise one living room, and that all other habitable rooms are bedrooms. Private rent figures exclude cases where the rent has been determined on the basis that the dwelling is deemed to be under-occupied.

Table 69 Welsh housing capital expenditure

£ million

	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Gross investment																		
Local authorities:																		
HRA acquisitions and newbuild	44.5	41.5	47.3	36.0	26.2	28.5	39.7	32.2	28.5	20.4	11.7	11.9	9.7	6.1	11.2	12.8	5.4	4.2
+ HRA renovation	24.3	47.6	48.2	44.2	49.7	78.3	98.0	99.7	147.2	105.8	85.0	78.7	87.6	90.8	89.7	56.2	60.8	74.7
+ Enveloping and environmental works	0.3	0.4	1.6	4.6	4.8	9.1	13.6	15.9	22.0	26.2	6.8	8.5	15.2	0.0	18.3	15.8	15.1	14.4
+ Slum clearance	2.0	0.9	0.9	1.0	0.6	0.6	0.4	0.5	0.5	0.7	0.5	0.7	0.9	0.6	0.7	0.9	0.4	0.7
+ Low cost home-ownership	0.6	1.1	0.8	0.7	0.4	1.3	1.7	2.1	3.2	3.4	2.7	1.2	0.9	2.6	7.3	13.8	7.6	5.7
+ Improvement grants etc.	18.5	42.5	109.3	80.3	55.3	65.4	70.7	68.5	70.5	93.5	129.7	181.4	176.6	191.5	177.3	171.9	143.1	125.8
+ Private housing loans	5.7	6.5	8.0	4.5	2.4	4.0	3.9	3.3	2.0	5.1	1.1	1.0	0.6	0.4	0.2	0.1	0.1	–
+ Loans/grants to housing associations							0.2	0.5	11.7									
= Total local authorities	95.9	140.5	216.1	171.3	139.4	187.3	228.1	222.7	285.6	255.1	237.5	283.4	291.5	292.0	304.7	271.0	236.6	225.6
+ Housing for Wales	32.3	44.9	41.0	39.0	40.6	51.5	64.5	72.7	90.4	116.0	132.5	173.9	140.9	125.4	108.7	98.5	68.6	72.4
= Total gross investment (A)	128.2	185.4	257.1	210.3	180.0	238.8	292.6	295.4	376.0	371.1	370.0	457.3	432.4	417.4	413.4	369.5	305.2	298.0
Capital receipts:																		
Local authorities	65.5	86.0	79.2	91.1	72.0	82.3	84.7	137.8	183.0	87.2	64.8	55.5	71.5	63.1	50.6	49.3	56.5	52.4
+ Housing for Wales	1.0	1.5	7.8	4.4	3.8	5.1	7.1	6.9	8.0	9.5	7.8	10.9	9.3	10.8	6.5	6.7	3.2	2.7
= Total receipts (B)	66.5	87.5	87.0	95.5	75.8	87.4	91.8	144.7	191.0	96.7	72.6	66.4	80.8	73.9	57.1	56.0	59.7	55.1
Total net investment (A–B)	61.7	97.9	170.1	114.8	104.2	151.4	200.8	150.7	185.0	274.4	297.4	390.9	351.6	343.5	356.3	313.5	245.5	242.9

Sources: Welsh Housing Statistics, Welsh Office, National Assembly for Wales.

Notes: Housing for Wales took over from the Housing Corporation from 1989/90. Housing for Wales figures include credit approvals vired from Welsh local authorities.

Table 70 Welsh housing capital plans and investment

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Local authorities:															
Grants and credit approvals	141.9	153.2	115.2	115.0	183.9	194.3	262.6	254.2	267.2	261.5	256.6	210.1	215.8	201.1	194.0
+ Net local financial resources	45.4	74.9	107.5	170.6	70.5	43.2	20.8	37.3	24.8	43.3	13.4	32.7	9.8	18.0	18.0
= Gross investment (A)	187.3	228.1	222.7	285.6	254.4	237.5	283.4	291.5	292.0	304.7	270.0	242.8	225.6	219.1	212.0
Housing associations:															
Net provision	46.4	57.1	59.2	65.2	92.2	107.4	151.7	122.1	110.8	96.5	85.3	59.9	63.2	68.0	56.4
+ Housing association resources													5.0	5.0	0.0
+ Local authority transfers	0.0	1.7	6.6	17.2	14.3	17.3	11.3	9.5	3.8	5.7	6.5	5.5	1.5	0.0	0.0
+ Capital receipts	5.1	5.7	6.9	8.0	9.5	7.8	10.9	9.3	10.8	6.5	6.7	3.2	2.7	2.7	2.7
= Gross provision	51.5	64.5	72.7	90.4	116.0	132.5	173.9	140.9	125.4	108.7	98.5	68.6	72.4	75.7	59.1
+ Private finance	0.0	7.8	7.5	22.0	33.0	53.0	73.4	70.4	68.0	76.2	75.1	54.9	56.0	60.0	50.1
= Gross investment (B)	51.5	72.3	80.2	112.4	149.0	185.5	247.3	211.3	193.4	184.9	173.6	123.5	128.4	135.7	109.1
Total gross investment (A+B)	238.8	300.4	302.9	398.0	403.4	423.0	530.7	502.8	485.4	489.6	444.6	366.3	354.0	354.8	311.1

Sources: Departmental reports by the Welsh Office; Cms 1916, 2215, 2515, 2815, 3215, 3615, 3915 & 4216, Welsh Housing Statistics, National Assembly for Wales.

Notes: Welsh Office estimates of 1997/98 and 1998/99 local authority local resources and outturn investment. Housing association figures for 1998/99 onward do not include credit approvals vired from local authorities. Vired credit approvals in earlier years are not included in the local authority figures. Net local financial resources include the use of capital receipts and revenue contributions to capital outlay, as well as other sources of funding. They are also net of decisions by councils to use 'housing' credit approvals to finance investment in other services. For the years to 1997/98 net local financial resources are balancing figures between Welsh Office capital provision and local outturn housing investment.

Table 71a **Welsh local authority housing revenue accounts***£ thousands*

	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Income:									
Net rents from dwellings	143,327	151,426	89,287	86,082	91,054	94,030	86,908	100,525	104,433
+ Rent rebates	24,802	42,442	106,011	118,912	127,088	133,068	131,830	146,591	153,222
= Total rent from dwellings (A)	168,129	193,868	195,298	204,994	218,142	227,098	218,738	247,116	257,655
Rate fund contributions:									
Rent rebate administration	768	1,001	1,431	1,317	1,683	2,318	1,918	2,357	3,246
+ Other rate fund	11,171	11,104	7,336	4,742	3,495	2,998	5,994	7,852	3,994
= Total from rate funds (B)	11,939	12,105	8,767	6,059	5,178	5,316	7,912	10,209	7,240
+ Rents from land etc.	1,751	1,891	1,926	1,990	2,089	2,314	2,241	2,588	3,041
+ Government subsidy	34,624	10,102	8,832	7,104	10,024	8,698	10,995	11,987	14,808
+ Mortgage interest from former tenants	6,562	13,414	15,374	15,805	15,108	13,311	11,210	11,435	13,469
+ Interest from capital receipts	4,593	8,546	11,034	13,507	18,062	19,205	18,039	24,043	33,020
+ Other income	7,098	7,202	8,048	8,573	11,346	12,054	11,978	15,759	15,130
= Total all other income (C)	54,628	41,155	45,214	46,979	56,629	55,582	54,463	65,812	79,468
Total income (A+B+C)	234,696	247,128	249,279	258,032	279,949	287,996	281,113	323,137	344,363
Expenditure:									
Supervision & management	30,241	32,486	33,967	35,131	38,273	41,384	43,293	51,993	58,833
+ Repairs & maintenance	57,860	67,467	72,979	76,500	77,822	88,213	87,883	92,250	105,816
+ Debt charges	135,566	135,104	132,699	140,479	149,398	146,059	142,441	153,809	160,863
+ Capital expenditure met from revenue	3,742	3,633	3,848	4,034	3,255	4,453	4,260	6,479	5,699
+ Transfers to rate funds	–	–	1,090	910	1,457	1,448	300	2,317	8,770
+ Other expenditure	1,894	2,045	1,844	2,059	2,844	4,405	5,819	5,681	7,627
= Total expenditure	229,303	240,735	246,427	259,113	273,049	285,962	283,996	312,529	347,608
Dwellings in HRA (000s)	279	277	259	255	251	255	230	235	226

Source: Welsh Housing Statistics.

Notes: From 1983/84 the introduction of the Unified Housing Benefit Scheme transferred the payment of housing benefit from the DSS to local authorities. As a result, from that date there is a large change in the balance between net rents and rent rebates.

Table 71b **Welsh local authority housing revenue accounts***£ thousands*

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Income:										
Net rents from dwellings	115,295	123,899	124,512	123,746	125,355	129,612	128,193	128,765	131,004	130,959
+ Rebates	165,042	183,517	208,729	227,062	244,050	256,362	270,126	269,495	269,872	269,426
= Total rent from dwellings	280,337	307,416	333,241	350,808	369,405	385,974	398,319	398,260	400,876	400,385
+ Rents from land etc.	2,934	3,407	3,674	3,813	3,851	3,861	3,606	5,023	5,245	5,065
+ Government subsidy	164,945	175,843	188,590	189,972	194,272	192,357	191,758	184,864	178,178	175,150
+ Sums transferred into the HRA	5,854	86	136	118	113	108	97	102	98	102
+ Credit to the HRA	14,867	11,036	8,084	6,229	5,971	5,478	4,585	3,480	3,273	2,953
+ Other transfers	7,491	1,442	159	206	845	251	325	175	525	30
+ Other income	5,711	8,705	10,646	10,236	9,162	8,419	8,242	11,199	14,957	16,390
+ Credit balance from previous year	24,591	121,439	25,513	34,745	37,390	38,595	29,456	24,477	18,826	14,053
= Total income	506,730	529,374	570,043	596,127	621,009	635,043	636,388	627,580	621,978	614,128
Expenditure:										
Supervision & management	59,992	67,017	73,320	74,229	76,896	81,153	84,805	86,360	91,543	94,727
+ Repairs & maintenance	114,214	112,164	112,337	119,648	123,655	126,290	124,467	122,601	116,443	111,518
+ Expenditure for capital purposes	46,701	31,753	36,213	23,719	25,163	25,264	25,120	29,341	29,062	32,282
+ Net debit to HRA	96,539	106,265	102,049	101,501	108,939	108,991	101,392	97,512	98,496	87,036
+ Other expenditure/transfers	2,803	2,586	2,650	7,535	3,711	3,149	3,075	3,356	2,509	3,009
+ Rent rebates	165,042	183,517	208,729	227,062	244,050	256,362	270,126	269,495	269,872	269,426
+ Debit balance from previous year	–	559	–	5,043	–	4,378	2,926	89	–	576
+ Balance at year end	21,439	25,513	34,745	37,390	38,595	29,456	24,477	18,826	14,053	15,554
= Total expenditure	506,730	529,374	570,043	596,127	621,009	635,043	636,388	627,580	621,978	614,128

Source: Welsh Housing Statistics.

Note: In the main this analysis follows the same format as Table 71a. However some changes are inevitable due to the introduction of the 1989 Act housing finance regime.

Table 72 **Housing subsidy and housing benefit subsidy in Wales***£ million*

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Basic housing subsidy:											
Positive entitlements	17.8	7.6	5.2	3.8	3.2	2.3	0.6	0.7	0.0	0.6	0.2
– Negative entitlements	10.5	17.4	25.5	41.2	54.2	69.7	76.5	80.8	91.7	91.6	89.8
= Net housing subsidy	7.3	- 9.8	- 20.3	- 37.4	- 51.0	- 67.4	- 75.9	- 80.1	- 91.7	- 91.0	- 89.6
Gross rent rebate subsidy	165.9	184.4	210.7	228.2	245.9	258.1	265.8	261.6	260.1	267.1	272.2
– Negative basic housing subsidy entitlements	10.5	17.4	25.5	41.2	54.2	69.7	76.5	80.8	91.7	91.6	89.8
= Net rent rebate subsidy	155.4	167.0	185.2	187.0	191.7	188.4	189.3	180.8	168.4	175.5	182.4
Combined housing subsidy	173.2	174.6	190.4	190.7	194.8	190.7	189.9	181.5	168.7	176.1	182.7

Source: National Assembly for Wales, derived from housing subsidy claims.

Notes: The combined housing subsidy is conventionally presented as the sum of positive basic housing subsidy entitlements and net rent rebate subsidy. Alternatively it could be expressed as the sum of net basic housing subsidy entitlements and gross rent rebate subsidy. This would make the role of negative housing subsidy entitlements more explicit.

Table 73 Rents and earnings in Wales

£ per week

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities:																			
Subsidy guideline										22.98	24.73	27.31	29.12	31.31	33.58	34.50	35.24	36.21	37.47
Average rent	11.43	13.93	14.55	15.51	16.53	17.23	17.91	19.74	22.35	23.49	26.44	29.21	31.32	33.44	35.35	37.29	38.68	39.14	40.22
Housing associations:																			
Fair rents	13.53	15.19	16.17	17.77	18.67	20.86	22.15	24.58	26.06	30.08	32.02	34.60	35.37	38.52	40.08	42.71	44.75	46.68	–
Assured rents									26.00	30.73	34.64	39.55	42.51	43.43	42.16	42.44	41.87	42.47	43.59
Private tenants:																			
Unfurnished fair rents	10.10	11.15	11.77	13.29	14.12	16.40	17.48	20.96	21.98	23.87	26.65	29.29	31.51	34.08	35.63	39.18	40.57	41.35	–
Unfurnished market rents									29.75	35.38	42.25	46.37	51.13	53.92	58.65	57.26	59.04	60.59	–
Average male earnings	120.3	134.7	140.2	148.9	159.6	167.9	180.4	193.1	209.8	224.7	239.3	254.3	258.6	272.3	284.4	295.0	312.3	327.0	326.4
Rent as a % earnings:																			
Local authority rents	9.5	10.3	10.4	10.4	10.4	10.3	9.9	10.2	10.7	10.5	11.0	11.5	12.1	12.3	12.4	12.6	12.4	12.0	12.3
H.A. fair rents	11.2	11.3	11.5	11.9	11.7	12.4	12.3	12.7	12.4	13.4	13.4	13.6	13.7	14.1	14.1	14.5	14.6	14.3	–
H.A. assured rents									12.4	13.7	14.5	15.6	16.4	15.9	14.8	14.4	13.4	13.0	13.4
Private fair rents	8.4	8.3	8.4	8.9	8.8	9.8	9.7	10.9	10.5	10.6	11.1	11.5	12.2	12.5	12.5	13.3	13.1	12.6	–
Private market rents									14.2	15.7	17.7	18.2	19.8	19.8	20.6	19.4	18.7	18.5	–

Sources: Welsh Office, Welsh Housing Statistics, Housing and Construction Statistics, Regional Trends, Rent Officer Statistics, New Earnings Surveys, Welsh Federation of Housing Associations.

Notes: The housing association assured tenancy rents derived from the Welsh 'CORE' data are mean rents net of service charges for the financial year. The housing association fair rent figures are inclusive of service charges and are derived from Housing and Construction Statistics and Rent Officer Statistics. Private market rents are those determined by the rent officer when referred for the purposes of housing benefit. Male earnings are average Welsh male manual earnings. Housing association fair rent, and private rent figures for 1998, are for the second quarter of the year. Fair rent figures for 1999 were not available, at time of compilation, because of possible revisions to fair rents following the legal challenge to 'rent capping'. Market rent figures for 1999 were not available, at time of compilation, because of problems with the processing of rent officer data.

Table 74 **Scottish gross housing investment***£ million*

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimate
Cash	477	513	577	706	583	594	649	829	895	952	942	958	941	992	1,026	961	779	574	558	524
1997/98 prices	1,117	1,082	1,140	1,335	1,045	1,026	1,073	1,299	1,314	1,306	1,214	1,163	1,104	1,134	1,157	1,054	827	593	558	511
GDP deflator	42.7	47.4	50.6	52.9	55.8	57.9	60.5	63.8	68.1	72.9	77.6	82.4	85.2	87.5	88.7	91.2	94.2	96.8	100.0	102.5

Sources: Serving Scotland's Needs: The Government's Expenditure Plans 1999/00 to 2001/02, The Scottish Office, Cm 4215, and earlier editions, Scottish Office, Scottish Homes; Investing in You: the annual report of the Scottish Executive, 2000.

Notes: Gross outturn capital expenditure by local authorities, new towns, Scottish Homes and its predecessors. Includes estimates for the use of capital receipts and revenue for local authority capital investment. Excludes transfer payments for new town stock sold to local authorities, NLF repayments, Corporation Tax and housing association use of private finance.

Table 75 **Scottish housing investment by agency**

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimates
Gross investment:														
Local authorities ¹	453	604	632	643	621	587	580	594	630	700	527	374	447	452
+ New towns	28	31	37	45	43	33	34	35	37	35	10	–	–	–
+ Housing Corporation	114	127	164											
+ SSHA	54	67	62											
+ Scottish Homes				294	288	470	581	367	361	342	313	212	200	208
= Total gross investment (A)	649	829	895	982	952	1,090	1,195	996	1,028	1,077	850	586	647	660
Capital receipts:														
Local authorities			289	332	297	270	293	284	290	244	213	240	212	218
+ New towns	26	32	34	47	47	36	28	39	35	152	102	–	–	–
+ Scottish Homes ²			95	111	68	65	64	65	68	85	107	80	53	24
= Total capital receipts (B)	204	288	418	490	412	371	385	388	393	471	422	320	265	242
Loan repayments (C)				30	10	132	254	4	2	2	2	2	2	2
= Net investment (A – B – C)	445	541	477	462	530	587	556	604	633	604	426	264	380	416

Sources: The Government's Expenditure Plans, Cms 1515, 1919, 2214, 2514, 2814, 3214, 3614 and 3914, Scottish Executive and Scottish Homes.

Notes: 1. Gross local authority investment includes £114 million in 1995/96 and £69 million in 1996/97 for the purchase of new town stock. These expenditures are also reflected in the new towns' capital receipt figures. The 1997/98 and 1998/99 investment figures include spending supported by the Capital Receipts Initiative (see Table 76), excluding the identified revenue on New Housing Partnerships.

2. 1988/89 receipt figure is for predecessor bodies.

Table 76 Provision for local authority housing investment in Scotland

£ million

	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimate	2000/01 plans	2001/02 plans
HRA investment	254	291	341	452	476	486	492	476	448	475	504	579	433	308	351	345	334	–
Financed by:																		
Borrowing	121	169	211	267	202	162	200	205	145	171	182	291	248	180	176	160	160	180
Capital receipts	132	122	128	185	274	325	290	265	289	279	290	248	162	60	73	65	54	–
Revenue	1	–	2	–	–	–	2	6	14	25	32	40	23	68	102	120	120	–
Non HRA investment	167	117	112	152	156	157	129	111	132	119	126	121	94	56	55	54	55	66
Financed by:																		
Borrowing	141	88	101	144	149	150	122	106	128	114	119	113	88	52	–	–	–	–
Capital receipts	26	29	11	8	7	7	7	5	4	5	7	7	6	4	–	–	–	–
New initiatives:																		
New Housing Partnerships														10	30	41	115	120
Energy Efficiency														7	3	11	13	15
Rough Sleepers Initiative														4	5	7	10	10
Empty Homes Initiative														2	7	5	5	5

Sources: Scottish Office, Cms 2814, 3214, 3614, 3914 & 4215, Scottish Executive.

Notes: In 1996/97 Scottish authorities were required to set aside 25 per cent of gross capital receipts against HRA debt. In 1997/98 the set aside requirement was increased to 75 per cent. Provision for non-HRA investment is now included within a combined local government services block. The 1997/98 and 1998/99 non-HRA housing investment figures are provisional estimates based on local authority returns to the Scottish Office. The figures for 1999/00 onwards are projections pro-rata to the combined local authority net capital allocations for all non-HRA services. HRA borrowing figures for 1995/96 and 1996/97 include £114 and £69 million respectively for the purchase of new town stock. For 1997/98 and 1998/99 the Energy Efficiency and New Housing Partnerships initiatives were financed by the share of the UK 'Capital Receipts Initiative' allocated by the Treasury to Scotland.

Table 77 **Scottish Homes capital grants and private finance***£ million*

Programme	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate
Housing associations:												
Capital programme (A)	202.6	194.8	220.4	255.1	263.1	268.6	278.5	255.5	173.8	165.1	171.7	172.9
+ Private finance (B)	5.4	42.9	42.3	62.5	72.5	81.4	118.0	92.4	73.8	85.0	105.3	96.4
= Total housing associations (Y)	208.0	237.7	262.7	317.6	335.6	350.0	396.5	347.9	247.6	250.1	283.0	269.3
Environmental etc. programmes (C)				11.7	11.1	9.4	8.6	7.9	5.5	6.6	7.8	8.2
Private developers (D)	2.0	8.1	14.6	15.8	28.4	33.1	29.2	29.9	21.4	20.2	21.9	25.7
+ Private finance (E)	4.5	37.0	44.8	68.5	76.0	102.7	90.0	98.9	63.6	78.6	93.2	61.4
= Total private developers (Z)	6.5	45.1	59.4	84.3	104.4	135.8	119.2	128.8	85.0	100.0	116.9	87.1
Total capital programme (A+C+D)	204.6	202.9	235.0	282.6	302.6	311.1	316.3	293.3	200.7	191.9	201.4	206.8
Total private finance (B+E)	9.9	79.9	87.1	131.0	148.5	184.1	208.0	191.3	137.4	163.6	198.5	157.8
Total capital investment (Y+C+Z)	214.5	282.8	322.1	413.6	451.1	495.2	524.3	484.6	338.1	355.5	399.9	364.6

Source: Scottish Homes Investment Bulletin 97/98, Scottish Homes, Scottish Executive.

Notes: Grants to housing associations and private developers are for both rent and sale schemes. Capital programme figures exclude investment in Scottish Homes dwellings and PES transfers from Scottish local authorities. They also exclude revenue grants. For the years prior to 1992/93 separate figures for expenditure on private developer and other environmental and social programmes are not available, and they are both included in the private developers' figures.

Table 78 **Scottish local authorities consolidated housing revenue account**

£ thousands

Item	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99 near actual	1999/00 near actual	1999/01 estimate
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimate
Expenditure:														
Loan charges	429,413	463,313	496,460	519,206	526,672	514,152	488,559	489,700	501,454	502,335	478,547	452,460	414,780	409,571
+ Supervision & management	78,349	88,159	101,387	113,759	117,874	124,734	136,826	142,200	146,697	169,559	176,086	186,846	195,638	203,612
+ Repairs & maintenance	211,929	219,919	231,180	255,074	271,924	288,125	302,823	327,500	344,849	345,070	371,248	384,104	395,457	411,261
+ Other expenditure	23,171	29,625	47,420	46,090	52,818	64,760	72,768	75,600	84,790	108,614	127,539	180,332	193,101	181,425
= Total	742,862	801,016	876,447	934,129	969,288	991,771	1,000,976	1,035,000	1,077,790	1,123,588	1,153,419	1,203,740	1,198,976	1,206,569
Income:														
Rental income	630,483	685,458	760,323	812,340	870,870	894,465	925,253	937,400	946,107	1,020,217	1,071,062	1,090,892	1,086,049	1,093,361
+ Housing support grant	41,900	54,521	65,373	58,317	55,570	47,470	35,852	24,200	21,900	19,430	16,428	12,613	10,647	9,262
+ General fund contribution	41,033	25,384	10,267	8,315	- 892	- 679	- 1,814	- 1,658	- 2,771	- 1,991	0	883	0	0
+ Other income	30,903	36,081	45,316	60,056	61,631	84,313	83,848	99,442	78,306	66,664	63,511	77,728	84,107	81,494
= Total	744,319	801,444	881,279	939,028	987,179	1,025,569	1,043,139	1,059,384	1,043,542	1,104,320	1,151,001	1,182,116	1,180,803	1,184,117

Source: Scottish Office Statistical Bulletins and Scottish Executive.

Notes: Excludes balances carried forward. General fund contributions are shown net of HRA transfers to general funds. Rental income relates to dwellings only; rents from garages etc. are included within other income.

Table 79 **Average costs, rents and subsidies in Scottish housing revenue accounts**

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Average annual cost per house (£)	688	826	852	893	987	1,124	1,240	1,351	1,405	1,463	1,609	1,640	1,782	1,946	2,029	2,083	2,177
Percentage of costs met by:																	
Rents etc.	50	77	83	88	90	91	94	94	95	96	98	97	98	99	99	99	99
+ Housing support grant	37	9	6	6	7	8	6	6	5	4	2	3	2	1	1	1	1
+ General fund contributions	13	14	11	6	3	1	-	-	-	-	-	-	-	-	-	-	-
= Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Convention of Scottish Local Authorities; Scottish Office Statistical Bulletins, Scottish Executive.

Table 80 Rents and earnings in Scotland

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
£ per week																			
Local authorities:																			
Subsidy assumption							15.85	17.45	18.93	21.30	23.97	26.36	30.32	34.86	37.48	38.60	39.38	40.56	41.77
Average rent	7.67	9.01	9.86	10.47	11.53	12.99	14.59	16.29	18.85	20.91	23.13	24.64	26.37	27.71	28.64	31.11	33.60	35.36	36.43
Housing associations:																			
Fair rents	9.38	13.63	14.73	16.88	18.79	16.94	20.56	22.73	23.37	26.37	24.35	26.69	28.60	31.78	34.35	36.38	37.15	39.40	40.01
Assured rents										25.72	28.92	30.40	32.96	33.92	35.89	37.68	39.51	41.08	41.46
Private tenants:																			
Fair rents	8.06	10.17	12.15	12.54	15.17	16.29	17.44	19.85	21.35	23.53	25.76	29.60	29.18	–	–	35.67	37.57	40.87	41.70
Housing benefit rents																55.29	57.84	59.88	62.11
Average male earnings	124.8	136.9	145.8	156.2	164.2	173.0	179.7	194.9	209.9	231.7	251.1	270.6	269.7	269.5	284.5	290.9	303.3	322.6	328.6
Rent as a % earnings:																			
Local authority rents	6.1	6.6	6.8	6.7	7.0	7.5	8.1	8.4	9.0	9.0	9.2	9.1	9.8	10.3	10.1	10.7	11.1	11.0	11.1
H.A. fair rents	7.5	10.0	10.1	10.8	11.4	9.8	11.4	11.7	11.1	11.4	9.7	9.9	10.6	11.8	12.1	12.4	12.7	12.3	12.6
H.A. assured rents										11.1	11.5	11.2	12.2	12.6	12.6	13.0	13.0	12.7	12.6
Private fair rents	6.5	7.4	8.3	8.0	9.2	9.4	9.7	10.2	10.2	10.2	10.3	10.9	10.8	–	–	12.3	12.4	12.7	12.7
Private benefit rents																19.0	19.1	18.6	18.9

Sources: Housing and Construction Statistics, Regional Trends, New Earnings Surveys, Scottish Executive, Scottish Homes, Joint Centre for Scottish Housing Research.

Notes: Local authority rents are for the April of each year; rent levels assumed in subsidy calculations refer to the financial year. The April 2000 average local authority rent is £37.94 and the 2000/01 rent level assumed in the subsidy calculation is £42.61. The housing association assured and fair rent figures from 1990 onwards are derived from the SCORE database and are mean rents inclusive of service charges eligible for housing benefit. They are not, however, entirely comparable with the housing association fair rent figures derived from Housing and Construction Statistics for earlier years. Earnings figures are average male manual earnings for Scotland. Scottish rent officer statistics for private sector fair rents, and the 'appropriate' rents in housing benefit cases, were not collated for 1994 or 1995. The private fair rents figures for the years to 1993 are for unfurnished lettings only. The fair and market rent figures from 1996 are for all lettings.

Table 81 **Financial provision for housing in Northern Ireland**

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98 estimated	1998/99	1999/00	2000/01	2001/02
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Northern Ireland Housing Executive																	
Grant	131	146	157	170	121	127	139	126	127	123	123	136	145	155	160	155	153
+ Net lending	118	96	99	86	80	60	54	59	46	38	40	23	- 3	- 45	- 60	- 52	- 56
+ Receipts Initiative													2	13			
= Total	249	242	256	256	201	186	193	185	173	162	163	159	144	123	100	103	97
+ Housing associations	35	34	34	34	28	25	26	42	30	29	36	34	41	53	56	61	64
+ Renovation grants & enveloping	60	56	45	42	36	32	32	31	32	34	44	49	46	42	40	42	39
+ Administration & miscellaneous	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
= Total provision	346	335	337	334	268	246	253	260	239	225	245	243	234	220	198	208	202

Sources: Northern Ireland Expenditure Plans and Priorities, Cms 1517, 1917, 2216, 2516, 2816, 3216, 3616 & 4217, Department of the Environment for Northern Ireland, Department of Social Development.

Notes: The reduction in grant to the Northern Ireland Housing Executive (NIHE) in 1989/90 follows some £366 million of NIHE debt being written off. This had a neutral impact on the NIHE programmes. Provision for voluntary housing is net of capital receipts. NIHE net lending figures from 1997/98 onwards are negative, as debt repayments exceed planned new investment

Table 82 **Gross housing investment in Northern Ireland**

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 estimated	2000/01 plans	2001/02 plans
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	plans	plans
Northern Ireland Housing Executive:																	
New house building	82	64	57	58	51	39	40	35	35	36	48	42	36	16	8	4	1
+ Land etc. purchase	9	15	10	8	8	7	10	9	12	15	11	19	17	17	17	14	13
+ Estate renovation	79	68	80	83	76	71	66	71	79	79	73	64	64	61	63	55	61
+ Other	3	4	4	5	6	4	3	7	2	3	2	2	2	2	3	4	2
= Total	173	151	151	152	141	121	120	122	128	133	134	127	119	96	91	77	77
+ Voluntary housing	40	41	44	46	38	37	41	58	49	45	50	48	54	65	68	71	77
+ Renovation grants and enveloping	60	56	45	42	36	32	32	30	32	34	44	49	46	42	40	42	39
= Gross public investment (A)	273	248	240	240	215	190	193	210	205	212	228	224	220	203	199	190	190
Capital receipts:																	
Northern Ireland Housing Executive	42	34	30	36	47	43	34	37	45	55	56	60	71	71	79	60	56
+ Voluntary housing	5	7	9	12	10	12	14	16	19	16	14	14	13	12	12	10	10
= Total (B)	47	41	39	48	57	55	48	52	64	71	70	74	83	83	91	70	66
Net public investment (A – B)	226	207	201	192	158	135	145	158	141	141	158	150	135	120	108	120	124

Sources: Northern Ireland Expenditure Plans and Priorities, Cms 1517, 1917, 2216, 2516, 2816, 3216, 3616, 3916 & 4217, Department of Social Development.

Note: Renovation grants and enveloping expenditure are financed from revenue in Northern Ireland.

Table 83 Rents and earnings in Northern Ireland

Year	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Average rent per week (£)																			
Northern Ireland Housing Executive	10.06	12.19	12.78	13.51	14.13	14.78	15.34	18.18	19.04	21.13	23.09	25.43	27.57	29.63	31.56	32.62	34.42	35.93	37.52
Housing associations															30.90	34.50	35.50	38.00	
Average male earnings (£)																			
	110.0	116.9	124.4	134.2	143.8	149.3	162.4	171.6	181.0	198.0	214.8	230.8	234.3	241.7	250.2	261.4	269.2	284.4	296.6
Rent as a % earnings																			
Northern Ireland Housing Executive	9.1	10.4	10.3	10.1	9.8	9.9	9.4	10.6	10.5	10.7	10.7	11.0	11.8	12.3	12.6	12.5	12.8	12.6	12.7
Housing associations															11.8	12.8	12.5	12.8	

Sources: Northern Ireland Housing Statistics, Northern Ireland Housing Executive, Regional Trends, Northern Ireland New Earnings Surveys.

Notes: Earnings figures are average Northern Ireland male manual earnings. NIHE rents are for the December of the year. The average rent for housing associations in 1999/2000 was not available at time of publication.

Section 3 Compendium of tables

Homelessness and lettings

Table 84 Local authority homeless acceptances

Number of households

	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Not held to be intentionally homeless																
England	60,400	91,010	100,490	109,170	113,770	122,180	140,350	144,780	142,890	132,380	122,460	121,280	116,870	102,410	104,490	104,770
+ Scotland	7,038	10,992	11,056	10,417	10,463	12,396	14,233	15,500	17,700	17,000	16,000	15,200	15,500	15,600	16,200	–
+ Wales	4,772	4,825	5,262	5,198	6,286	7,111	9,226	9,293	9,818	10,792	9,897	8,638	8,334	4,297	4,380	3,695
= Great Britain	72,210	106,827	116,808	124,785	130,519	141,687	163,809	169,573	170,408	160,172	148,357	145,118	140,704	122,307	125,070	108,465
Held to be intentionally homeless																
England	2,520	2,970	3,070	3,270	3,730	4,500	5,450	6,940	6,350	5,660	4,570	4,690	5,120	4,970	6,140	6,980
+ Scotland	938	980	1,144	1,030	1,128	1,271	1,580	1,800	2,200	2,000	1,800	1,700	1,700	1,800	2,000	–
+ Wales	674	546	703	485	532	694	737	550	452	333	396	362	815	343	380	476
= Great Britain	4,132	4,496	4,917	4,785	5,390	6,465	7,767	9,290	9,002	7,993	6,766	6,752	7,635	7,113	8,520	7,456
All homeless acceptances																
England	62,920	93,980	103,560	112,440	117,500	126,680	145,800	151,720	149,240	138,040	127,030	125,500	121,990	107,380	110,630	111,750
+ Scotland	7,976	11,972	12,200	11,447	11,591	13,667	15,813	17,300	19,900	19,000	17,800	16,900	17,200	17,400	18,200	–
+ Wales	5,446	5,371	5,965	5,683	6,818	7,805	9,963	9,843	10,270	11,125	10,293	9,001	9,149	4,640	4,760	4,171
= Great Britain	76,342	111,323	121,725	129,570	135,909	148,152	171,576	178,863	179,410	168,165	155,123	151,401	148,339	129,420	133,590	115,921

Sources: Department of the Environment, Transport and the Regions, Scottish Executive, Welsh Executive.

Notes: The 1990 figures for Wales include 2,000 households made homeless in Colwyn Bay by flooding in the February of that year. Scottish figures are for priority need homeless and potentially homeless cases only; 1999 figures were not available at the time of compilation. The England and Wales figures for 1997 and 1998 reflect the changes in homeless legislation, and as a result no longer include 'non priority acceptances'. In 1996 these accounted for 3,310 acceptances in England and 3,501 acceptances in Wales.

Table 85 Homeless households in temporary accommodation in England under the provisions of the 1985 and the 1996 Housing Acts*Number of households*

	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Bed and breakfast	1,330	5,360	8,990	10,370	10,970	11,480	11,130	12,150	7,630	4,900	4,130	4,500	4,160	4,520	6,930	8,120
+ Hostels ¹	3,380	4,730	4,610	5,150	6,240	8,020	9,010	9,990	10,840	10,210	9,730	9,660	9,640	8,860	9,060	8,920
+ Private sector leasing								23,740	27,910	23,270	15,800	11,530	10,980	14,320	16,220	22,390
+ Other ²		5,830	7,190	9,240	12,890	18,400	25,130	14,050	16,690	15,200	15,970	18,450	17,410	17,330	19,310	22,750
+ Homeless at home ³								8,700	10,420	8,640	8,370	8,890	9,500	9,900	9,150	9,330
= Total	4,710	15,920	20,790	24,760	30,100	37,900	45,270	68,630	73,490	62,220	54,000	53,030	51,690	54,930	60,670	71,510

Sources: Homelessness Statistics, Department of the Environment, Transport and the Regions, Hansard 18/4/91, Column 186.

Notes: 1. Includes women's refuges.

2. Includes dwellings leased by local authorities from private landlords for years prior to 1991.

3. Figures for households accepted as homeless, but that remain in their existing accommodation pending rehousing, were not collected before 1991.

Table 86 Reasons for homelessness in England*Percentages*

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Parents, relatives or friends no longer willing or able to accommodate	41	43	43	43	42	42	38	34	29	29	26	27	28
Breakdown of relationship with partner	18	19	17	17	16	17	19	20	22	24	25	25	24
Loss of private dwelling, including tied accommodation	15	15	16	14	14	15	17	19	20	21	22	23	22
Mortgage arrears	9	7	6	9	12	10	8	8	8	7	6	6	5
Rent arrears	4	4	5	4	3	2	2	2	2	2	2	3	3
Other	13	12	13	13	14	16	16	16	17	17	18	17	19

Source: Department of the Environment, Transport and the Regions, Homelessness Statistics.

Note: Figures may not total 100 due to rounding.

Table 87 Homelessness: categories of need

Number of households

	Numbers of households										Percentages									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Priority need households:																				
Households with:																				
Dependant children	84,120	88,950	85,300	76,390	68,620	66,290	63,420	58,780	62,730	61,270	66	65	61	60	58	56	56	57	59	58
Pregnant member	17,470	18,830	18,530	16,500	14,060	13,430	12,930	10,470	10,850	10,200	14	14	13	13	12	11	11	10	10	10
Vulnerable member:																				
Old age	6,570	5,860	6,230	5,920	6,050	5,890	5,510	4,220	3,960	3,750	5	4	4	5	5	5	5	4	4	4
Physical handicap	3,950	4,430	5,440	5,400	6,050	6,550	6,250	5,310	5,140	5,170	3	3	4	4	5	6	6	5	5	5
Mental illness	4,220	4,750	6,070	6,490	7,100	7,430	8,180	7,030	7,300	7,530	3	3	4	5	6	6	7	7	7	7
Young	-	-	4,460	4,470	4,090	3,760	3,580	3,260	3,480	3,640	-	-	3	4	3	3	3	3	3	3
Domestic violence	-	-	6,470	7,060	7,370	8,430	8,220	6,780	6,490	6,100	-	-	5	6	6	7	7	7	6	6
Other	9,460	12,610	4,930	4,250	4,170	4,550	4,410	5,420	5,730	6,110	7	9	4	3	4	4	4	5	5	6
Homeless in emergency	2,300	1,820	1,270	1,150	980	1,160	1,090	1,140	960	970	2	1	1	1	1	1	1	1	1	1
Total priority need (A)	128,090	137,250	138,700	127,630	118,490	117,490	113,590	102,410	106,640	104,470	100	100	100	100	100	100	100	100	100	100
Non-priority need (B)	12,260	7,530	4,190	4,750	3,970	3,790	3,310	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A + B)	140,350	144,780	142,890	132,380	122,460	121,280	116,870	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Department of Environment, Transport and the Regions, Homelessness Statistics.

Notes: Separate figures for domestic violence and young person cases are not available for 1991 or earlier years. Percentages do not always add to 100 as a result of roundings.

Table 88 Homelessness by region

Number of households

Region	Homeless acceptances									In temporary accommodation								
	1991	1992	1993	1994	1995	1996	1997	1998	1999	1991	1992	1993	1994	1995	1996	1997	1998	1999
London	36,310	37,550	31,570	28,690	26,690	25,730	24,850	26,160	27,840	37,130	39,580	33,040	25,990	26,060	24,100	24,540	25,430	36,330
Rest of South East	13,750	13,030	12,630	12,850	13,570	13,700	12,070	12,860	12,380	7,890	8,110	7,190	7,130	6,420	6,550	7,170	8,820	8,220
South West	9,050	8,990	9,370	9,210	9,960	9,830	8,800	8,920	9,490	2,630	3,020	2,620	2,690	2,540	2,380	2,950	4,200	4,870
Eastern	8,560	9,300	9,000	8,490	8,730	8,670	8,020	8,660	8,550	3,940	4,200	3,160	2,980	2,750	2,840	3,060	3,550	4,250
East Midlands	9,730	10,450	10,120	8,890	8,970	8,900	7,980	7,630	7,300	1,810	1,560	1,370	1,470	1,420	1,450	1,260	1,570	1,920
West Midlands	17,280	17,070	16,440	15,890	17,510	16,240	14,500	14,210	13,360	2,120	1,660	1,430	1,250	1,220	1,030	1,590	1,440	1,570
Yorkshire & Humberside	12,480	14,430	13,320	11,060	9,930	9,240	8,960	8,530	8,210	1,620	1,890	1,650	1,330	1,160	1,050	1,060	1,180	1,740
North East	7,870	7,570	6,800	6,060	6,050	5,780	4,430	4,360	4,830	430	470	490	430	430	430	670	850	1,110
North West	18,890	16,900	14,980	13,980	13,150	12,940	10,720	11,170	10,860	2,100	2,230	2,270	2,040	1,840	1,630	1,690	1,740	1,830
Merseyside	3,330	3,450	3,400	3,370	2,930	2,560	2,080	1,990	1,950	260	350	360	320	300	340	440	340	370
England	137,250	138,740	127,630	118,490	117,490	113,590	102,410	104,490	104,770	59,930	63,070	53,580	45,630	44,140	41,800	44,360	49,010	62,170

Source: Department of the Environment, Transport and the Regions, Homelessness Statistics.

Notes: Homeless acceptances figures are for priority need households only, and exclude households found to be intentionally homeless. Temporary accommodation figures are for the end of the year, and exclude households that are 'homeless at home' (see Table 85).

Table 89a **Rough Sleepers: local authority estimates of numbers of rough sleepers**

Number of rough sleepers	Number of authorities	% of authorities
No estimate	108	30.7
Nil - 10	156	44.3
11 - 20	43	12.2
21 - 30	22	6.3
31 - 40	8	2.3
41 - 50	5	1.4
Over 50	10	2.8
Total	352	100.0

Table 89b **Rough Sleepers: survey-based estimates of numbers of rough sleepers in areas covered by the Rough Sleepers Initiative, and other areas where counts have taken place**

	Numbers
Initial RSI zones – central	367
New RSI zones – London	324
New RSI zones – outside London	82
Other RSI areas	425
Other counts	111
Total	1,309

Source: Shelter report on rough sleeping submitted to the Social Exclusion Unit, 1998.

Table 90 Local authority dwelling stock, new dwellings and lettings in England

Thousands

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Stock of dwellings ¹	4,660	4,560	4,510	4,440	4,410	4,320	4,180	4,040	3,900	3,840	3,760	3,666	3,565	3,480	3,401	3,309	3,150
Vacant dwellings ¹	114	113	117	113	112	103	101	99	83	75	71	70	72	80	81	82	84
Vacant dwellings as % of stock	2.4	2.5	2.6	2.5	2.5	2.4	2.4	2.5	2.1	1.9	1.9	1.9	2.0	2.3	2.4	2.5	2.7
Completions	27	28	27	21	18	15	16	14	13	7	2	1	1	1	0	0	0
Lettings ²	439	429	429	437	430	426	410	390	401	406	400	405	408	415	422	404	379
which are:																	
to existing tenants	184	183	189	190	186	184	174	162	161	168	170	170	169	165	162	144	129
to new tenants	255	246	240	247	244	242	236	228	240	239	230	234	239	250	260	259	249
Homeless households as % of new tenants	19	20	23	26	27	31	31	35	40	46	45	40	36	34	29	25	23

Sources: Department of the Environment Annual Reports, Expenditure Plans, Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: 1. Includes dwellings awaiting demolition, and from 1986/7 dwellings owned by authorities outside their own areas.

2. Includes non-secure lettings, and lettings to households displaced by slum clearance.

Table 91a **Lettings to new tenants by local authorities***Thousands*

Region	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Northern	26.2	24.4	24.5	23.6	24.0	24.2	23.0	21.3	22.5	22.2	24.4	27.0	27.9	28.3	
<i>North East</i>					22.3	22.6	21.4	21.3	20.7	20.6	22.3	24.9	25.8	26.2	25.1
Yorkshire & Humberside	37.7	36.1	35.3	34.2	34.6	32.1	31.5	30.8	30.5	29.8	33.5	35.6	37.8	37.6	37.9
North West	42.5	42.7	42.7	44.5	42.8	40.2	40.2	39.2	36.9	36.6	40.2	43.6	44.3	46.8	
<i>North West</i>					36.2	33.8	33.9	32.5	32.0	31.8	35.5	37.9	38.7	39.9	48.2
<i>Merseyside</i>					8.4	8.0	8.0	6.6	6.6	6.4	6.8	7.8	7.8	9.1	
East Midlands	23.1	21.6	22.0	20.2	20.5	18.8	19.0	18.0	18.2	20.6	20.1	21.3	25.0	25.4	26.0
West Midlands	34.0	32.0	32.9	34.1	31.7	29.7	29.1	29.0	28.0	29.2	30.1	31.7	33.9	33.7	31.9
East Anglia	9.6	11.8	7.3	7.1	6.4	6.7	7.4	6.9	6.5	6.2	6.3	6.7	7.3	7.6	
<i>Eastern</i>					15.5	15.4	17.8	16.3	16.0	17.0	16.7	17.4	18.1	18.2	18.3
London	50.1	33.5	31.8	32.7	33.2	35.1	43.9	49.4	45.2	44.5	41.5	40.1	40.4	37.3	32.0
South East	36.4	29.3	32.0	31.2	29.6	28.4	31.4	30.1	29.4	31.0	29.4	29.0	28.8	28.3	
<i>South East</i>					20.5	19.7	21.1	20.7	19.9	20.2	19.0	18.4	18.1	17.7	17.0
South West	15.5	15.6	15.1	14.4	13.4	13.3	14.1	14.0	13.1	14.4	13.8	14.6	14.9	14.3	12.9
England	275.1	247.0	243.6	242.0	236.3	228.6	239.6	238.6	230.2	234.3	239.3	249.7	260.4	259.5	249.5

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: Lettings figures are for lettings to new tenants only, including lettings for non-secure tenancies. The regional figures are compiled from local authority HIP returns, grossed up for incomplete responses. Data for 'standard' regions are shown from 1980/81 to 1997/98, and for government office regions from 1988/89 onwards. The 1998/99 figure for the North West includes Merseyside.

Table 91b **Lettings to homeless households**

Percentage of all lettings to new tenants

Region	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Northern	10	11	15	18	18	20	22	26	23	19	17	15	13	8	
<i>North East</i>					18	20	22	26	23	19	18	15	13	6	2
Yorkshire & Humberside	10	15	15	18	18	20	23	28	31	28	22	18	15	13	14
North West	10	17	19	20	19	23	21	25	26	23	21	19	16	11	
<i>North West</i>					20	25	23	36	26	24	21	20	16	7	5
<i>Merseyside</i>					11	14	14	21	22	21	17	15	11	5	
East Midlands	10	15	16	20	20	25	28	37	37	30	26	24	19	12	11
West Midlands	16	27	28	29	30	32	39	39	41	35	30	29	26	25	20
East Anglia	18	15	22	25	26	27	30	33	31	28	27	26	24	13	
<i>Eastern</i>					23	28	29	34	34	30	30	27	24	15	18
London	27	47	52	53	51	46	48	42	48	45	44	41	41	32	30
South East	18	23	23	26	25	26	28	33	33	31	32	36	33	22	19
<i>South East</i>					27	25	27	31	31	33	33	31	30	19	
South West	23	27	29	34	32	34	34	36	38	35	35	33	30	16	16
England	16	23	25	27	26	28	31	34	35	31	29	26	23	16	14

Sources and Notes: As Table 91a. Percentages are for secure lettings to homeless households only. In addition the majority of non-secure lettings are made to homeless households, although the proportion has declined since 1995/96, reflecting the practice adopted by some authorities of letting 'introductory' tenancies. In 1997/98 non-secure lettings accounted for roughly a fifth of all lettings to new tenants. The figures for 1997/98 are for lettings to priority need homeless, reflecting the change in homeless legislation. In 1996 non-priority homeless households accounted for 3 per cent of all homeless acceptances in England.

Table 92 Lettings to new tenants by size of dwelling in 1998/99

Region	Local authority lettings								Housing association nominations				Lettings to homeless as a percentage of 2 bed+ lettings to new tenants			
	Homeless:		Other new tenants:		Homeless:		Other new tenants:		Homeless:		Other new tenants:		Local authorities		Housing	All social
	Secure:	Non-secure:	Secure:	Non-secure:	Secure:	Non-secure:	Secure:	Non-secure:	Secure:	Non-secure:	Secure:	Non-secure:	Secure %	Non-secure %	association %	sector %
	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed				
London	3,410	6,371	2,402	4,744	7,018	3,098	3,150	1,767	1,142	2,896	2,783	3,768	67	43	73	62
South East	1,070	2,110	2,001	1,706	4,904	4,298	505	392	856	3,157	3,768	5,878	33	80	81	40
Eastern	1,000	2,381	1,199	1,508	5,853	5,671	334	345	428	1,431	2,170	3,435	30	78	81	36
South West	565	1,521	580	1,390	3,456	3,082	960	1,352	458	1,573	2,095	3,206	33	38	51	37
East Midlands	444	2,370	364	1,373	8,583	8,554	2,241	2,026	173	1,015	1,374	2,450	22	14	40	27
West Midlands	1,554	4,781	472	793	8,089	9,612	3,048	3,543	263	1,045	2,054	2,499	33	13	18	30
Yorkshire & Humberside	1,201	4,066	268	1,245	12,607	14,744	1,412	2,323	168	482	1,822	1,877	22	16	35	23
North West	595	1,865	742	1,971	9,760	13,178	8,907	11,210	218	604	2,975	2,911	12	8	15	14
North East	162	333	673	1,924	1,222	2,094	2,334	4,425	103	163	769	762	14	22	30	25
England	10,001	25,798	8,701	16,654	61,487	64,336	27,032	35,195	3,809	12,366	19,810	26,786	29	24	32	30

Source: Local authority HIP returns, Department of the Environment, Transport and the Regions.

Note: Homeless households are priority need cases only.

Table 93 Housing association lettings in England

Thousands

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Stock	410	423	432	447	464	483	495	512	534	567	613	650	707	767	834	902	959	1,026	1,039
Lettings	51	52	55	58	60	62	64	67	70	76	77	86	109	134	132	136	139	145	146
of which:																			
New tenants	42	43	45	47	49	51	52	54	57	60	62	69	90	112	111	114	117	122	123
Existing tenants	9	9	10	11	11	11	12	13	13	16	15	17	19	22	21	22	22	23	24
Statutory homeless	-	-	-	-	-	-	-	-	-	-	9	15	23	28	26	26	22	16	16
Lettings to homeless as a % of all lettings to new tenants	-	-	-	-	-	-	-	-	-	-	14	21	25	25	23	23	19	13	11

Sources: Answers to Parliamentary Questions 16/7/91 and 2/2/94, Housing and Construction Statistics, Cm 2507, Cm 280, Cm 3207 & Cm 3607, CORE.

Note: For the years up to 1989/90 the lettings figures are Department of the Environment estimates. It should be noted that new housing association tenants include former council tenants transferring to a housing association letting. Stock figures are for December. 1996/97 to 1998/99 figures are direct from CORE; figures for 1990/91 to 1995/96 are CORE based figures as published in the DoE Annual Reports.

Table 94a Projected output from the Housing Corporation's Approved Development Programme (ADP) – approvals

	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 estimated outturn	2000/01 forecast	2001/02 forecast
Housing for rent:												
+ Mixed and public funded	9,630	39,970	43,310	43,911	40,009	23,792	31,435	17,806	17,311	18,600	16,800	16,800
+ Short life (Mini-HAG)	990	1,610	1,380	1,924	3,462	3,556	3,228	1,459	1,793	1,100	1,000	1,000
+ Housing Market Package	18,750											
= Total rent (A)	10,620	41,580	63,440	45,835	43,471	27,348	34,663	19,265	19,104	19,700	17,800	17,800
Sales and incentives:												
Tenants Incentive Schemes	1,650	3,240	4,800	6,687	6,353	6,817	7,445	3,614	3,106	200	200	200
+ Low cost home ownership	1,540	4,820	7,790	11,556	9,689	7,809	8,954	4,726	4,681	4,100	3,700	3,700
= Total sales/incentives (B)	3,190	8,060	12,590	18,243	16,042	14,626	16,399	8,340	7,787	4,300	3,900	3,900
Total all approvals (A+B)	13,810	49,640	76,030	64,078	59,513	41,974	51,062	27,605	26,891	24,000	21,700	21,700

Sources: Housing Corporation ADP for 1994/95 and earlier years, Cms 2207, 2507, 2807, 3207, 3607, 3906, 4204 & 4604.

Notes: Mini-HAG and TIS figures include units financed through the special homeless programmes in 1990/91 & 1991/92. Rough Sleepers Initiative and City Challenge schemes are included within the mixed/public funded rent figures. Tenants Incentive Schemes includes Purchase Grants from 1996/97 onward.

Table 94b Projected output from the Housing Corporation's Approved Development Programme (ADP) – completions

	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 estimated outturn	2000/01 forecast	2001/02 forecast
Housing for rent:												
+ Mixed and public funded	17,610	21,190	32,160	38,393	38,506	40,583	29,386	22,843	22,330	22,830	18,870	17,500
+ Short life (Mini-HAG)	990	1,610	1,380	1,924	1,098	1,482	2,000	2,777	1,500	1,500	1,300	1,100
+ Housing Market Package	18,430											
= Total rent (A)	18,600	22,800	51,970	40,317	39,604	42,065	31,386	25,620	23,830	24,330	20,170	18,600
Sales and incentives:												
Tenants Incentive Schemes	2,270	2,690	4,780	6,450	6,525	6,400	7,029	4,262	2,900	300	200	200
+ Low cost home ownership	780	1,280	5,380	7,990	11,066	10,471	6,966	6,336	6,100	5,700	4,500	3,800
= Total sales/incentives (B)	3,050	3,970	10,160	14,440	17,591	16,871	13,995	10,598	9,000	6,000	4,700	4,000
Total all completions (A+B)	21,650	26,770	62,130	54,757	57,195	58,936	45,381	36,218	32,830	30,330	24,870	22,600

Sources and Notes: As Table 94a.

Table 95 Local authority and housing association lettings to new tenants

Thousands

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Local authorities	275	251	256	246	240	247	244	242	236	229	240	239	230	234	239	250	260	260	250
Housing association	42	43	45	47	49	51	52	54	57	60	62	69	90	112	111	114	117	122	123
Total	317	294	301	293	289	298	296	296	293	289	302	308	320	346	350	364	377	382	373

Sources: See Tables 90 & 93.

Note: New housing association tenants include former council tenants transferring to housing associations.

Table 96 Welsh local authority lettings

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Stock (000s)	293	283	272	263	258	257	256	251	243	232	224	221	216	214	211	208	205	202	201
All lettings to new tenants	14,009	13,436	14,864	13,889	15,045	13,896	13,403	13,379	13,071	11,494	11,530	12,030	11,543	12,547	13,053	13,576	14,555	15,639	15,672
Lettings to homeless	1,531	1,460	1,696	1,597	1,766	2,149	2,054	1,872	2,424	2,429	2,473	2,674	2,754	2,471	2,058	1,949	1,681	880	1,269
Homeless lettings as a % of all lettings	10.9	10.9	11.4	11.5	11.7	15.5	15.3	14.0	18.5	21.1	21.4	22.2	23.9	19.7	15.8	14.4	11.5	5.6	8.1

Source: Welsh Housing Statistics.

Notes: Excludes new towns. Stock figures are averages for the financial year.

Table 97 Local authority lettings in Scotland

	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
New lettings	45,910	45,039	46,720	45,035	47,935	47,086	47,480	44,248	41,234	40,262	40,321	41,379	40,208	41,921
Percentage of new lets to homeless	13.6	16.3	15.3	14.3	14.3	16.0	20.0	21.4	23.8	22.7	20.4	20.5	20.3	19.4

Source: Scottish Executive.

Notes: New lettings include waiting list, homeless, National Mobility Scheme and other lettings, but excludes transfers and mutual exchanges. Figures also include lettings of general needs dwellings owned by other agencies to whose stock the local authority has nomination rights.

Table 98 Northern Ireland Housing Executive lettings and homelessness in Northern Ireland

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Allocations to priority groups	9,966	10,621	12,824	13,152	12,491	12,417	11,877	10,940	11,357	11,357	11,637	11,170	10,489	10,280	10,455	8,826	10,164	10,946	10,643
Homelessness:																			
presenting										6,675	9,187	10,081	10,099	9,731	10,068	10,468	11,092	11,672	11,552
accepted A1										3,110	4,404	4,158	4,061	3,971	4,014	4,319	4,708	4,956	4,997
Placed in temporary accommodation										741	1,849	1,771	1,790	1,865	1,747	2,151	2,141	2,123	2,249

Source: Department of the Environment for Northern Ireland.

Notes: Allocations to priority groups comprise lettings to new tenants, and exclude transfers. Accepted 'A1' priority need corresponds to acceptances as priority need case elsewhere in the UK. Homeless legislation was only extended to Northern Ireland in April 1989.

Section 3 Compendium of tables

Help with housing costs

Table 99 **Mortgage interest tax relief**

	1970/71	1975/76	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Basic rate of relief (%)	32	35	30	30	29	27	25	25	25	25	25	25	20	15	15	15	10	10
Cost of tax relief (£m) (A)	298	1,004	2,188	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200	4,300	3,500	2,700	2,400	2,700	1,900	1,600
Of which:																		
Option mortgage scheme (£m) (B)	13	109	228	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
In excess of basic rate of income tax (£m)	–	–	130	260	300	400	350	420	470	–	–	–	–	–	–	–	–	–
Number of recipients (000s) (C)	2,960	4,820	5,860	8,100	8,450	8,750	9,200	9,400	9,600	9,700	9,800	10,000	10,400	10,500	10,600	10,700	10,800	10,800
Average tax relief (£) ((A-B)/C)	95	185	335	585	555	555	585	735	800	630	530	430	340	260	230	250	180	130

Sources: Inland Revenue Statistics, Parliamentary Questions.

Notes: The number of recipients is the number of tax units in receipt of mortgage interest tax relief. This does not include households assisted through the Option Mortgage scheme. The 1970/71 and 1975/76 figures are the author's estimates based on 95% of the number of mortgages (the average tax unit to mortgage ratio for the early 1980s); the figures on the number of tax units are not available. The Option Mortgage scheme provided the equivalent of mortgage interest relief (MITR) to lower income households that did not have a sufficient income to attract the tax liability against which MITR could be offset. It operated from 1968 to 1983. Relief at higher rates of income tax was abolished from 1991/92. The 1998/99 figures are provisional; the 1999/00 figures are estimates based on average interest rates at 5.5%. MITR was abolished in April 2000. Some final costs will be incurred in the 2000/01 financial year, but the precise figures are not available.

Table 100 Regional distribution of mortgage interest tax relief

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Northern	80	70	95	100	140	180	200	210	250	310	350	310	230	200	160	130			
<i>North East</i>																110	100	110	80
Yorkshire & Humberside	155	150	160	210	260	340	350	360	370	460	510	450	340	300	280	210	190	220	150
North West	200	180	215	260	330	440	490	510	530	690	770	640	500	430	340	270			210
<i>North West</i>																240	230	260	
<i>Merseyside</i>																50	40	40	
East Midlands	115	110	130	180	230	300	320	330	340	430	480	410	340	280	240	190	170	190	130
West Midlands	160	190	170	230	280	370	350	360	430	550	620	510	400	340	280	220	200	220	150
East Anglia	50	60	75	90	130	170	170	180	220	270	300	250	180	170	140	110			
<i>Eastern</i>																280	240	260	170
Greater London	280	290	260	400	500	670	620	650	780	980	1,100	710	740	580	390	310	270	300	210
Rest of South East	555	600	650	740	950	1,270	1,220	1,260	1,350	1,750	1,940	1,510	1,390	1,090	880	650			
<i>Rest of South East</i>																480	440	490	360
South West	140	170	140	230	300	400	380	400	520	660	730	570	480	400	350	260	230	260	190
England	1,735	1,820	1,900	2,440	3,120	4,140	4,100	4,260	4,790	6,100	6,800	5,360	4,600	3,790	3,060	2,350	2,090	2,350	1,640
+ Wales	65	80	80	110	150	200	210	220	180	240	270	230	190	150	130	110	100	110	80
+ Scotland	125	120	140	190	260	350	300	310	370	470	530	420	340	300	260	200	180	200	150
+ Northern Ireland	35	30	30	40	50	60	60	60	60	90	100	90	70	60	50	40	30	40	30
= United Kingdom	1,960	2,050	2,150	2,780	3,580	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200	4,300	3,500	2,700	2,400	2,700	1,900

Sources: Answers to Parliamentary Questions 17/3/93 and 29/11/93; Inland Revenue Statistics.

Notes: Figures exclude the Option Mortgage scheme that operated until 1983/84. Figures from 1996/97 onward are only available for government office regions, while figures for earlier years are for standard regions. For 1995/96 only figures are shown for both standard regions and government office regions. Where the standard and government office regions are identical the data is set out in a single row. Where the government office regions boundaries and/or names differ, the figures are shown in the row(s) below the closest corresponding standard region. The names of government office regions (where they differ from standard regions) are shown inset and in italics.

Table 101 **Distribution of mortgage interest tax relief by income band**

Income bands	Cost of mortgage tax relief (£ million) (A)										Numbers receiving tax relief (000s) (B)								
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	
£0-5,000	270	260	340	310	310	190	170	220	140	490	620	840	840	1,090	980	940	1,020	990	
£5-10,000	640	420	520	420	360	280	210	210	140	1,050	850	1,130	1,120	1,250	1,260	1,160	990	950	
£10-15,000	1,520	1,170	1,360	1,050	770	550	480	540	300	2,060	1,920	2,670	2,540	2,320	2,200	2,110	2,190	1,740	
£15-20,000	1,670	1,450	1,340	1,050	770	590	550	520	360	2,110	2,180	2,400	2,330	2,150	2,210	2,370	2,020	2,070	
£20-25,000	1,240	1,120	600	560	520	440	360	460	310	1,530	1,600	1,050	1,220	1,360	1,590	1,520	1,730	1,700	
£25-30,000	750	590	300	260	280	260	260	280	220	850	870	510	570	720	900	1,040	1,030	1,160	
£30-40,000	770	590	370	320	260	210	200	250	240	710	850	610	640	650	740	810	920	1,190	
£40,000 +	840	500	370	330	230	180	170	220	200	600	710	590	640	560	620	650	800	1,000	

Table 101 (continued) **Distribution of mortgage interest tax relief by income band**

Income bands	Average tax relief (£ per annum) (A/B)										Percentage of total tax relief by income band								
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	
£0-5,000	550	430	410	370	290	200	180	220	150	3.5	4.3	6.5	7.2	8.9	7.0	7.1	8.1	7.3	
£5-10,000	610	490	460	380	290	220	180	220	150	8.3	6.9	10.0	9.8	10.3	10.4	8.8	7.8	7.3	
£10-15,000	740	610	510	410	330	250	220	240	160	19.7	19.2	26.2	24.4	22.0	20.4	20.0	20.0	15.7	
£15-20,000	800	660	560	450	360	260	230	260	180	21.7	23.8	25.8	24.4	22.0	21.9	22.9	19.3	18.8	
£20-25,000	810	700	570	460	380	270	240	270	180	16.1	18.4	11.5	13.0	14.9	16.3	15.0	17.0	16.2	
£25-30,000	880	680	590	460	390	290	250	270	190	9.7	9.7	5.8	6.0	8.0	9.6	10.8	10.4	11.5	
£30-40,000	1,090	690	610	500	410	290	250	280	200	10.0	9.7	7.1	7.4	7.4	7.8	8.3	9.3	12.6	
£40,000 +	1,400	700	630	510	400	300	260	280	200	10.9	8.2	7.1	7.7	6.6	6.7	7.1	8.1	10.5	

Sources: Inland Revenue Statistics, Parliamentary Questions 12/7/93 and 2/11/93.

Note: The numbers receiving relief are defined as the number of tax units.

Table 102a **Subsidies for local authority housing in Great Britain**

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England:																				
Exchequer subsidy	1,423	881	444	335	381	482	459	445	535	636	1,156	873	508	121	- 108	- 408	- 481	- 563	- 740	- 884
+ Rate fund transfers	309	327	252	291	288	258	277	279	309	83	- 19	- 19	- 25	- 17	- 19	- 28	- 44	- 47	- 65	- 76
= Total net subsidy	1,732	1,208	696	626	669	740	736	724	844	719	1,137	852	483	104	- 127	- 436	- 525	- 610	- 805	- 960
Wales:																				
Exchequer subsidy	68	35	10	9	7	10	9	11	12	15	7	- 10	- 16	- 31	- 45	- 63	- 76	- 80	- 92	- 91
+ Rate fund transfers	22	12	12	8	5	4	4	8	8	- 2	6	0	0	0	0	0	0	0	0	0
= Total net subsidy	90	47	22	17	12	14	13	19	20	13	13	- 10	- 16	- 31	- 45	- 63	- 76	- 80	- 86	- 91
Scotland:																				
Exchequer subsidy	228	162	105	72	67	64	44	42	55	65	58	56	47	36	24	22	19	16	13	11
+ Rate fund transfers	80	106	125	123	139	98	75	41	25	10	8	- 1	- 1	- 2	- 2	- 3	- 2	0	0	0
= Total net subsidy	308	268	230	195	206	162	119	83	80	76	67	55	47	34	23	19	17	16	13	11
Great Britain:																				
Exchequer subsidy	1,719	1,078	559	416	455	556	512	498	602	716	1,221	919	539	126	- 129	- 449	- 538	- 627	- 819	- 964
+ Rate fund transfers	411	445	389	422	432	360	356	328	342	91	- 5	- 20	- 26	- 19	- 21	- 31	- 46	- 47	- 65	- 76
= Total net subsidy	2,130	1,523	948	838	887	916	868	826	944	808	1,217	897	514	107	- 149	- 480	- 584	- 674	- 884	- 1,040

Sources: See Tables 64, 65, 71, 72 and 78 in the Review. Additional information from Department of the Environment, Transport and the Regions.

Notes: Figures for transfers between the General Fund and the Housing Revenue Account for the years to 1989/90 are the net result of transfers in and out of the HRA. Figures for housing subsidy in England and Wales from 1990/91 are for net basic housing subsidy (positive housing subsidy entitlements less negative subsidy entitlements). Housing benefit subsidy is not included in this table.

Table 102b **General subsidies per local authority dwelling***£ per annum*

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England:																				
Exchequer subsidy	286	179	93	72	84	106	103	102	126	155	291	225	134	33	- 30	- 116	- 140	- 168	- 228	- 285
+ Rate fund transfers	62	66	53	63	63	57	62	64	73	20	- 5	- 5	- 7	- 5	- 5	- 8	- 13	- 14	- 20	- 24
= Total net subsidy	348	245	146	135	147	163	165	166	198	175	286	220	127	28	- 35	- 124	- 153	- 182	- 248	- 309
Wales:																				
Exchequer subsidy	231	124	37	34	27	39	35	44	49	65	31	- 46	- 74	- 145	- 213	- 303	- 371	- 394	- 460	- 462
+ Rate fund transfers	75	42	44	31	19	16	16	32	33	- 9	27	0	0	0	0	0	0	0	0	0
= Total net subsidy	306	166	81	65	47	54	51	76	82	56	58	- 46	- 74	- 145	- 213	- 303	- 371	- 394	- 460	- 462
Scotland:																				
Exchequer subsidy	255	182	119	82	78	75	52	51	68	85	78	77	67	54	37	35	30	26	22	19
+ Rate fund transfers	89	119	141	141	161	115	89	49	31	13	11	- 1	- 1	- 3	- 3	- 5	- 3	0	0	0
= Total net subsidy	345	301	260	223	239	190	141	100	99	100	90	76	67	51	35	30	27	26	22	19
Great Britain:																				
Exchequer subsidy	279	177	94	72	80	99	92	92	113	140	247	191	114	27	- 29	- 103	- 126	- 150	- 202	- 249
+ Rate fund transfers	67	73	66	73	76	64	64	60	64	18	- 1	- 4	- 6	- 4	- 5	- 7	- 11	- 11	- 16	- 20
= Total net subsidy	345	250	160	145	157	163	156	152	178	158	246	186	109	23	- 33	- 110	- 137	- 162	- 219	- 268

Sources: As Table 102a.

Notes: Average figures per dwelling are calculated by dividing the figures in Table 102a by the average HRA stock figures for the year.

Table 103 Mortgage interest taken into account for Income Support and Jobseeker's Allowance

	1980	1981	1982	1983	1984	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Average mortgage interest:																			
£ per week	10.18	12.18	13.87	11.93	15.18	18.96	19.31	18.33	24.18	33.41	43.27	43.98	41.92	37.81	39.16	36.98	33.6	37.16	32.93
£ per annum (A)	529	633	721	620	789	986	1,004	953	1,257	1,737	2,250	2,287	2,180	1,966	2,036	1,923	1,747	1,933	1,712
Number of claimants (000s) (B)	134	196	235	242	277	356	334	300	281	310	411	499	555	529	499	451	378	335	308
Total mortgage interest per annum (£ million) (A x B)	71	124	170	150	219	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527

Sources: Annual Statistical Enquiries, Parliamentary Question 9/7/91, Income Support Quarterly Statistics, Jobseeker's Allowance Quarterly Statistics.

Notes: All figures are for the May of the year. Figures to 1990 show mortgage interest liabilities taken into account in calculating eligibility for Income Support, and in earlier years Supplementary Benefit. From 1990 onwards the figures are based on actual help provided, and are net of non-dependant deductions etc. From 1988 to 1995 the average figure for weekly mortgage interest was somewhat depressed by the regulation restricting new claims to 50% of eligible mortgage costs during the first 16 weeks of a claim. The figures from 1996 reflect the further restrictions on initial help with mortgage costs introduced in October 1995. The 1997 and 1998 figures also reflect the introduction of the Jobseeker's Allowance. No 1985 figures are available.

Table 104 Range of mortgage interest taken into account for Income Support and Jobseeker's Allowance*Percentage of all claimant cases not affected by restrictions during initial period of claim*

Full weekly interest payment liabilities	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
£0 - £20	54	43	30	30	32	35	32	33	37	34	39
£20 - £40	28	29	27	28	28	30	30	30	29	30	31
£40 - £60	11	13	18	17	16	16	17	16	15	18	17
£60 - £80	3	7	9	9	9	9	9	9	8	9	8
£80 - £100	1	3	5	4	6	5	6	5	3	5	4
£100 +	2	6	10	13	9	6	6	7	3	4	3
Average amount (£ per week)	24.46	34.42	46.34	46.01	44.31	39.69	40.49	37.78	33.87	37.16	32.93

Sources: Annual Statistical Enquiries, Income Support Statistics Quarterly Enquiries, Jobseeker's Allowance Statistics Quarterly Enquiries, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: Figures for the years to 1995 show the full weekly interest liabilities of claimant cases not affected by the restrictions applied in the initial period of an Income Support claim. From 1996 the figures are for actual help provided, and are net of non-dependant deductions etc. From 1997 they include all Jobseeker's Allowance cases in receipt of housing costs help, including a small number in receipt of partial help due to restrictions during the initial period of a claim.

Table 105 Average mortgage interest taken into account for Income Support by region

Government office region	Number of cases (000s)										Average mortgage interest (£ per week)									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North East	-	-	-	23	23	23	21	18	16	16	-	-	-	23.52	23.20	25.41	24.51	22.60	24.87	22.27
North West	-	-	-	73	70	69	64	55	49	46	-	-	-	27.00	25.57	27.66	26.76	24.46	27.83	24.88
Yorkshire & Humberside	-	-	-	45	44	42	38	32	29	27	-	-	-	27.18	25.93	27.41	26.76	24.44	27.34	25.14
East Midlands	-	-	-	35	34	32	28	24	22	21	-	-	-	33.59	30.67	33.25	31.39	29.14	32.90	29.32
West Midlands	-	-	-	55	51	48	44	38	33	31	-	-	-	31.91	28.63	30.72	29.18	26.98	30.78	27.91
Eastern	-	-	-	55	50	46	41	33	29	26	-	-	-	52.17	46.47	48.16	45.37	41.20	44.85	40.30
London	-	-	-	81	79	74	67	56	49	44	-	-	-	63.16	56.46	57.20	54.10	49.36	54.37	47.77
South East	-	-	-	79	72	66	58	46	39	35	-	-	-	58.07	52.46	53.44	49.77	45.43	49.70	43.69
South West	-	-	-	53	48	43	40	31	26	24	-	-	-	45.42	40.33	41.61	39.61	36.27	39.62	34.90
England	270	366	446	499	472	442	398	334	292	268	35.45	45.57	45.30	43.48	39.20	40.63	38.43	34.86	38.42	34.06
Wales	26	27	34	34	33	32	29	25	22	21	23.58	34.80	33.67	29.41	26.93	28.36	26.55	24.54	28.55	25.40
Scotland	14	18	19	22	24	24	23	20	20	19	32.64	35.33	32.59	27.74	25.51	28.15	26.73	24.27	28.20	25.33
Great Britain	310	411	499	556	529	499	451	379	334	308	34.33	44.41	44.02	41.92	37.81	39.16	36.98	33.62	37.16	32.93

Source: Hansard, Answer to Parliamentary Question by Ms Armstrong, 9/5/95, Department of Social Security.

Note: From 1993 figures are for housing costs payable to claimants. Earlier figures are for mortgage interest taken into account when calculating total Income Support entitlement. The 1993 and subsequent figures are thus not directly comparable with those earlier years. Government office region figures are not available for the years prior to 1993.

Table 106 **Housing benefit – numbers of claimants and average claim in Great Britain**

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Number of claimants (000s):																
Rent rebates	1,330	3,710	3,720	3,665	3,132	2,923	2,944	2,981	3,023	3,060	3,007	2,953	2,887	2,762	2,664	2,519
Rent allowances	240	1,150	1,180	1,195	965	1,035	1,044	1,219	1,315	1,519	1,660	1,798	1,875	1,829	1,811	1,795
Rate rebates, Council Tax & Community Charge benefit	3,350	7,020	7,050	6,875	5,150	5,225	6,898	6,506	6,646	5,450	5,606	5,676	5,643	5,491	5,369	5,204
Average payment (£ per annum):																
Rent rebates	240	606	632	675	824	903	1,030	1,184	1,375	1,505	1,654	1,763	1,830	1,893	1,924	2,028
Rent allowances	199	619	811	849	977	1,095	1,323	1,694	1,999	2,268	2,454	2,621	2,735	2,808	2,865	2,933
Rate rebates, Council Tax & Community Charge benefit	82	209	223	243	260	268	319	178	236	317	332	349	374	406	426	458

Sources: Parliamentary Questions 10/3/92 & 13/3/92, Social Security Departmental Reports Cms 2213, 2513, 2813, 3213 & 3613, Social Security Statistics 1991 to 1996, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: From 1985/86 figures include Supplementary Benefit cases. This accounts for part of the substantial increase in numbers and the average benefit payment that year. Rate rebate figures are for the years 1989/90; Community Charge benefit figures are for the years 1990/91 to 1992/93 and Council Tax benefit figures are for 1993/94 onwards. Average benefit payments from 1988/89 onwards are derived from Social Security Statistics and Housing Benefit and Council Tax Benefit Summary Statistics. Average figures for numbers of claimants from 1988/89 are derived from the DSS Annual Reports; figures for earlier years are derived from the Parliamentary Questions.

Table 107 Housing benefits expenditure and plans for Great Britain

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
Rent rebates ¹ :																
England	1,950	2,001	2,144	2,318	2,711	3,351	3,812	4,178	4,355	4,537	4,634	4,536	4,439	4,426	4,480	4,498
+ Scotland	263	296	315	364	404	446	490	528	549	564	617	661	677	692	719	657
+ Wales	134	135	148	156	168	186	210	227	250	261	270	268	266	271	283	282
+ New towns	72	74	111	102	86	85	82	87	76	68	48	33	23	17	11	3
= Total rent rebates	2,419	2,506	2,718	2,940	3,368	4,068	4,593	5,019	5,228	5,430	5,569	5,498	5,405	5,405	5,493	5,441
+ Rent allowances	996	1,030	1,055	1,359	1,779	2,426	3,284	4,195	4,875	5,446	5,810	5,682	5,667	5,842	6,246	6,962
+ Income Support: mortgage costs ²	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527	450	400
= Total housing benefits	3,766	3,871	4,059	4,652	5,686	7,419	9,018	10,424	11,143	11,892	12,246	11,840	11,720	11,774	12,189	12,803
+ Rate rebate, Community Charge and Council Tax benefit	1,635	1,701	1,373	1,520	2,115	1,398	1,685	1,929	2,077	2,190	2,311	2,396	2,461	2,607	2,827	3,065
= Total housing & related benefits	5,401	5,572	5,432	6,172	7,801	8,817	10,703	12,353	13,220	14,082	14,557	14,236	14,181	14,381	15,016	15,868
Total all social security benefits	44,913	46,697	47,333	50,174	56,509	66,395	75,313	82,422	84,849	88,697	92,212	93,346	95,570	99,322	101,055	106,115

Sources: Social Security Departmental Reports, Cms 1914, 2215, 2515, 2813, 3213, 3913, 4214 & 4614. Annual Statistical Enquiries etc. for Income Support & Jobseeker's Allowance mortgage costs (see Table 103).

Notes: 1. Rent rebate figures for England and Wales are gross expenditure, before deducting the contribution to their cost made by rent surpluses.

2. Eligible mortgage costs for income support calculation of entitlement for years to 1999/2000. Author's estimate for subsequent years.

Table 108a **Numbers of recipients and average housing benefit in Great Britain: all cases***£ per week*

	Numbers of recipients (000s)											Average housing benefit per recipient (£ per week)										
	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
England:																						
Rent rebates	2,475	2,311	2,328	2,423	2,442	2,414	2,380	2,325	2,242	2,135	2,009	16.26	20.18	23.35	27.30	29.95	31.86	34.39	35.70	37.30	38.00	40.00
Rent allowances	848	927	959	1,149	1,319	1,453	1,573	1,663	1,628	1,590	1,576	18.73	25.86	32.96	39.02	44.34	48.12	51.51	53.46	55.40	56.60	57.90
Scotland:																						
Rent rebates	496	467	466	461	458	450	434	424	405	388	375	13.76	17.71	19.87	22.13	23.79	24.84	26.25	28.60	31.90	32.70	34.40
Rent allowances	77	86	72	78	85	100	109	122	128	132	131	19.92	23.13	29.72	33.72	36.67	39.84	42.07	43.69	42.20	42.60	44.40
Wales:																						
Rent rebates	161	151	151	154	153	152	151	149	145	141	135	16.87	20.37	22.57	25.86	28.12	30.49	32.23	33.61	35.00	35.00	36.90
Rent allowances	44	55	54	63	72	81	88	92	91	89	87	17.44	22.24	29.44	33.80	38.97	41.41	42.80	45.18	45.40	46.40	47.80
Great Britain:																						
Rent rebates	3,132	2,928	2,945	3,038	3,053	3,016	2,964	2,898	2,792	2,664	2,519	15.85	19.80	22.76	26.45	28.95	30.74	33.09	34.56	35.91	37.00	39.00
Rent allowances	969	1,067	1,085	1,290	1,476	1,634	1,770	1,878	1,847	1,811	1,795	18.78	25.45	32.57	38.45	43.61	47.28	50.49	52.42	54.15	55.10	56.40

Source: Social Security Statistics, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: All figures based on May in each year. Rent rebates cover local authority and new town tenants. Rent allowances cover housing association and private tenants.

Table 108b Numbers of recipients and average housing benefit in Great Britain: cases also in receipt of Income Support

£ per week

	Numbers of recipients (000s)										Average housing benefit per recipient (£ per week)									
	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998
England:																				
Rent rebates	1,515	1,347	1,324	1,417	1,492	1,508	1,522	1,472	1,409	1,327	18.61	22.98	26.76	30.77	33.31	35.21	38.03	39.66	40.83	42.10
Rent allowances	492	516	594	748	900	1,016	1,106	1,164	1,111	1,057	21.72	31.28	37.69	43.91	49.41	52.87	56.66	58.66	60.47	62.10
Scotland:																				
Rent rebates	280	263	254	254	264	266	267	259	249	237	15.73	20.39	23.05	25.14	26.47	28.01	29.09	32.63	35.37	38.80
Rent allowances	43	44	45	48	54	67	74	82	86	87	24.77	29.54	34.51	37.64	41.77	43.30	46.89	48.25	49.64	51.00
Wales:																				
Rent rebates	97	86	86	89	93	94	96	95	92	89	19.34	23.26	26.14	29.29	31.04	33.37	35.26	36.79	36.91	34.00
Rent allowances	28	31	35	42	50	57	63	66	65	62	19.84	26.15	32.31	36.94	40.96	44.66	46.10	49.11	48.53	49.00
Great Britain:																				
Rent rebates	1,891	1,696	1,664	1,760	1,849	1,868	1,885	1,826	1,749	1,654	18.16	22.60	26.16	29.88	32.23	34.09	36.62	38.52	39.90	41.17
Rent allowances	563	592	674	838	1,004	1,140	1,243	1,311	1,261	1,206	21.88	30.88	37.20	43.20	48.58	51.90	55.55	57.52	59.51	60.63

Sources: Social Security Statistics, Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Notes: All figures based on May in each year. Rent rebates cover local authority and new town tenants. Rent allowances cover housing association and private tenants.

Table 108c **Numbers of recipients and average housing benefit in Great Britain: cases not also in receipt of Income Support***£ per week*

	Numbers of recipients (000s)										Average housing benefit per recipient (£ per week)									
	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998
England:																				
Rent rebates	960	964	1,004	1,006	950	906	875	853	834	808	12.54	16.28	18.88	22.44	24.69	26.28	28.14	28.87	30.21	30.70
Rent allowances	356	411	364	401	419	438	445	500	518	533	14.59	19.07	25.25	29.93	33.45	37.09	38.92	41.33	43.45	45.00
Scotland:																				
Rent rebates	216	204	212	206	193	184	175	165	156	151	11.22	14.26	16.09	18.44	20.16	20.26	21.88	22.28	24.23	29.50
Rent allowances	34	41	27	31	31	33	34	40	42	45	13.77	16.32	21.95	27.62	27.94	32.87	31.66	34.65	36.14	37.10
Wales:																				
Rent rebates	65	65	65	65	61	58	57	55	53	52	13.18	16.56	17.86	21.15	23.64	25.83	27.09	28.13	28.23	25.20
Rent allowances	16	24	19	21	22	24	24	27	26	27	13.13	17.02	24.21	27.43	32.67	33.53	34.41	35.84	35.80	35.70
Great Britain:																				
Rent rebates	1,241	1,232	1,280	1,277	1,204	1,149	1,106	1,073	1,043	1,011	12.33	15.95	18.37	21.73	23.91	25.29	27.12	27.82	29.22	30.24
Rent allowances	406	476	411	452	473	494	503	566	585	605	14.47	18.72	24.98	29.66	33.05	36.64	38.21	40.60	42.58	44.00

Sources and Notes: See Table 108b.

Table 109a Housing benefit for housing association and private tenants

Tenure	Numbers of cases							
	1992 (000s)	1993 (000s)	1994 (000s)	1995 (000s)	1996 (000s)	1997 (000s)	1998 (000s)	1999 (000s)
Housing associations	340	412	509	610	723	781	840	897
Private tenants	952	1,068	1,125	1,160	1,155	1,066	971	898
of which:								
Regulated tenancies	381	339	294	258	217	194	166	144
Deregulated tenancies	571	729	826	893	929	869	800	749

Source: Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Notes: Separate statistics for housing association tenants receiving housing benefit have only been collected since May 1992. All figures are for the May of the year. From 1994 onwards, figures for the number of private tenants include a number of other cases that cannot be classed as regulated, deregulated or housing association tenancies. Previously such cases were apportioned to other categories. It should also be noted that these figures, particularly for 1992 and 1993, probably underestimate the number of housing association claimants.

Table 109b Average weekly rents and housing benefit for housing association and private tenants

	1992 £	1993 £	1994 £	1995 £	1996 £	1997 £	1998 £	1999 £
Average weekly rents								
Housing associations	35.50	39.90	43.60	47.60	50.00	53.50	56.50	58.40
Private tenants	43.90	49.90	54.20	57.90	60.70	62.50	63.70	65.00
Average weekly housing benefit								
Housing associations	32.20	35.80	39.50	43.10	46.27	48.60	50.70	52.80
Private tenants	40.70	46.80	51.10	54.40	53.15	58.00	58.90	60.10

Sources and Notes: See Table 109a

Table 109c Housing association tenants in receipt of housing benefits

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Thousands	210	220	250	265	285	300	315	320	330	350	375	420	485	540	625	725	783	840	897
Percentages	48	50	52	53	54	55	56	54	53	53	53	56	59	61	65	70	72	73	

Source and Notes: Estimates by Alan Holmans for years to 1994. They are estimates of averages for the whole year, and do not therefore exactly match the figures in Table 109a, which are for the May of the year. Also the administrative figures for the initial years in Table 109a are thought to underestimate the numbers for housing associations.

Table 110 **Characteristics of housing benefit recipients in Great Britain in 1998***Thousands*

Characteristics	All households	All aged 60 & over ¹	All aged under 60	Disability Premium	Aged under 60 also receiving: Lone Parent Premium	Unemployed with JSA	Others under 60
Tenure							
Local authority tenants	2,664	1,281	1,383	424	512	216	231
Housing association tenants	840	326	514	147	202	75	90
Private tenants	971	219	752	162	79	206	166
Dependants and non-dependants							
Households with children:	1,411	24	1,387	188	933	94	171
of which with:							
1 child	602	14	588	82	425	30	51
2 children	463	5	458	59	307	31	61
3 children	225	3	222	30	137	19	36
4 (+) children	121	2	119	17	64	15	24
Households with non-dependants ²	377	153	223	81	60	34	49
Sources of income³							
Employment/self-employment	515	27	488	28	202	3	254
Family credit	264	1	263	4	150	2	108
Occupational/personal pension	608	584	24	14	1	1	8
Incapacity benefit	438	102	336	293	2	–	40
Disability living allowance							
mobility component	450	185	265	264	–	–	–
care component	389	144	245	244	–	–	–
Widow's benefit	43	9	34	12	6	–	16

Source: Social Security Statistics 1999.

Notes: 1. Aged over 60 cases include benefit units where either claimant or partner is aged 60 or over.

2. Number of non-dependants in households.

3. Individual households may have more than one source of income. Only a selected range of income sources are shown.

Table 111 Housing benefit caseload and payments by tenure and region at May 1999

Region	Number of recipients:				Income Support (or JSA) Status		Average weekly housing benefit:		
	Local authority tenants	Housing association tenants	Private tenants	All tenures	Receiving Income Support or Jobseeker's Allowance	Not receiving Income Support or Jobseeker's Allowance	Local authority tenants	Housing association tenants	Private tenants
	000s	000s	000s	000s	000s	000s	£	£	£
North East	189	35	42	265	170	96	33.10	47.00	50.00
North West	326	124	133	583	391	192	37.50	48.20	53.20
Yorkshire & Humberside	268	55	81	404	260	144	31.70	54.20	49.30
East Midlands	171	40	52	262	164	98	34.90	50.10	46.50
West Midlands	241	87	60	389	253	135	37.00	49.10	54.20
Eastern	169	67	67	302	183	119	40.20	53.60	58.70
Greater London	362	160	155	677	472	205	55.10	67.50	85.30
Rest of South East	164	134	112	410	234	176	43.70	56.20	66.30
South West	119	81	93	293	177	115	39.20	49.20	55.60
England	2,009	781	795	3,585	2,304	1,281	40.00	54.60	61.10
Wales	135	36	51	222	148	74	36.90	44.70	50.00
Scotland	375	80	52	506	318	188	34.40	38.20	53.90
Great Britain	2,519	897	897	4,313	2,770	1,543	39.00	52.80	60.10

Source: Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Table 112 **Escaping the housing benefit poverty trap: Gross weekly earnings levels at which housing benefit entitlement ceases***£ per week*

Household type	Housing benefit allowances	Earnings disregards	Rent levels:						
			£30	£40	£50	£60	£70	£80	£90
Gross earnings levels at which housing benefit entitlement ceases									
Single person >25	52.20	5.00	109.15	130.99	153.62	176.24	198.86	221.49	244.11
Couple >18	81.95	10.00	159.47	182.09	204.72	227.34	249.97	272.59	295.22
Lone parent + 1 child <16	93.05	25.00	74.80	92.69	137.00	187.28	237.55	287.83	328.08
Lone parent + 2 children < 16	119.65	25.00	70.15	86.88	121.80	172.08	222.36	272.63	322.91
Lone parent + 3 children < 16	146.25	25.00	65.50	81.43	107.65	156.89	207.16	257.44	307.71
Couple + 1 child <16	122.80	10.00	91.90	134.93	185.20	235.48	285.76	327.15	349.78
Couple + 2 children <16	149.40	10.00	86.08	119.73	170.01	220.28	270.56	320.84	371.11
Couple + 3 children <16	176.00	10.00	80.72	105.89	154.81	205.09	255.36	305.64	355.92
Couple + 4 children <16	202.00	10.00	75.60	93.69	139.62	189.89	240.17	290.45	340.72
Couple + 5 children <16	229.20	10.00	70.95	87.88	124.42	174.70	224.97	275.25	325.53

Notes: All figures based on standard Income Support and Housing Benefit rates as they apply from April-June 2000. The figures for lone parent households are for post April 1998 claimants. Figures are for cases without child care costs eligible for assistance under the working families tax credit scheme.

Table 113 Help with housing costs: Income Support and housing benefits in Northern Ireland

£ million

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
NIHE tenants	–	–	77	81	87	97	107	120	134	148	165	175	179	181	186	187	191	200	209
+ Private and housing association tenants	–	–	15	17	18	23	27	32	40	47	55	65	75	83	87	98	98	106	114
= All tenants	5	86	92	98	105	120	134	152	173	195	220	240	254	264	271	285	289	306	323
+ Home-owners	–	–	7	9	8	11	14	–	18	17	15	18	20	16	18	15	–	–	–
= Total	7	91	99	107	113	131	148	168	191	212	235	258	274	280	289	300	289	306	323

Sources: Northern Ireland Expenditure Plans and Priorities, Northern Ireland Social Security Statistical Branch, Northern Ireland Department of Social Development.

Notes: Income Support and Supplementary Benefit figures for help with mortgage costs in Northern Ireland are from surveys undertaken in May each year, except 1997 which is for November.

For years where figures are not available for help with home-owner housing costs, a trend based estimate has been included in the total help with housing costs figures for Northern Ireland. From 1997/98 figures for help with mortgage costs include assistance given as part of the Jobseeker's Allowance scheme, as well as Income Support.

Table 114a Assistance with housing costs for home-owners, council and private tenants

£ million

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
General subsidies																
Home-owners	1,925	4,690	4,610	4,790	5,340	6,810	7,600	6,010	5,130	4,240	3,450	2,660	2,270	2,660	1,880	1,600
+ Council tenants	2,130	916	868	826	944	808	1,217	897	510	101	- 155	- 484	- 584	- 674	- 884	- 1,040
+ Private tenants					130	55	105	135	330	360						
= Total	4,055	5,606	5,478	5,616	6,414	7,673	8,922	7,042	5,970	4,701	3,295	2,176	1,686	1,986	996	560
Means tested assistance																
Home-owners	71	300	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527
+ Council tenants	841	2,296	2,419	2,506	2,718	2,940	3,368	4,068	4,593	5,019	5,229	5,431	5,569	5,498	5,405	5,405
+ Private tenants	145	705	797	814	833	1,074	1,388	1,892	2,562	3,188	3,608	3,867	3,777	3,523	3,230	3,096
= Total	1,057	3,301	3,567	3,655	3,837	4,367	5,295	6,885	8,296	9,417	9,877	10,314	10,213	9,681	9,283	9,028
All forms of assistance																
Home-owners	1,996	4,990	4,961	5,125	5,626	7,163	8,139	6,935	6,271	5,450	4,490	3,676	3,137	3,320	2,528	2,127
+ Council tenants	2,971	3,212	3,287	3,332	3,662	3,748	4,585	4,965	5,103	5,120	5,074	4,947	4,985	4,824	4,521	4,365
+ Private tenants	145	705	797	814	963	1,129	1,493	2,027	2,892	3,548	3,608	3,867	3,777	3,523	3,230	3,096
= Total	5,112	8,907	9,045	9,271	10,251	12,040	14,217	13,927	14,266	14,118	13,172	12,490	11,899	11,667	10,279	9,588

Sources: See Tables 51, 99, 100, 102a, 103 and 107 in the Review.

Note: All figures are for Great Britain. Figures for means tested assistance to private tenants exclude estimated costs of rent allowances to housing association tenants.

Table 114b Assistance with housing costs for home-owners, council and private tenants

£ million at 1999 prices

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
General subsidies																
Home-owners	4,764	8,205	7,800	7,781	8,268	9,782	9,975	7,452	6,126	4,984	3,960	2,951	2,459	2,793	1,909	1,600
+ Council tenants	5,271	1,603	1,469	1,342	1,462	1,161	1,597	1,112	609	119	- 178	- 537	- 633	- 708	- 898	- 1,040
+ Private tenants					201	79	138	167	394	423						
= Total	10,034	9,808	9,269	9,123	9,931	11,022	11,710	8,732	7,130	5,526	3,782	2,414	1,826	2,086	1,011	560
Means-tested assistance																
Home-owners	176	525	594	544	443	507	707	1,147	1,363	1,422	1,194	1,127	939	693	658	527
+ Council tenants	2,081	4,017	4,093	4,071	4,208	4,223	4,420	5,044	5,485	5,900	6,002	6,025	6,032	5,774	5,488	5,405
+ Private tenants	358	1,233	1,348	1,322	1,290	1,542	1,821	2,346	3,059	3,748	4,141	4,289	4,091	3,700	3,280	3,096
= Total	2,615	5,775	6,035	5,937	5,941	6,272	6,949	8,537	9,907	11,070	11,336	11,441	11,062	10,166	9,426	9,028
All forms of assistance																
Home-owners	4,939	8,730	8,394	8,325	8,711	10,289	10,682	8,599	7,489	6,407	5,154	4,078	3,398	3,487	2,567	2,127
+ Council tenants	7,352	5,620	5,562	5,413	5,670	5,384	6,018	6,156	6,094	6,019	5,824	5,488	5,400	5,066	4,590	4,365
+ Private tenants	358	1,233	1,348	1,322	1,492	1,621	1,959	2,514	3,453	4,171	4,141	4,289	4,091	3,700	3,280	3,096
= Total	12,649	15,583	15,304	15,060	15,872	17,294	18,659	17,269	17,036	16,597	15,118	13,855	12,888	12,252	10,437	9,588

Sources and Notes: As Table 114a. Cash figures adjusted by the 'all items' in the retail prices index.

