Note by the Secretary of State for Scotland

The attached White Paper contains my proposals for tackling the problems posed by the older housing stock in Scotland. Along with the White Paper by the Minister of Housing and Local Government and the Secretary of State for Wales (C(68) 66), it has been considered in the Ministerial Committee on Housing.

2. The financial implications have been discussed with the Treasury and agreement reached as to the likely cost. I am considering with the Chancellor of the Exchequer how the expenditure can be fitted into the programme for 1970-71 (the first year affected) and subsequent years.

3. I seek the Cabinet's agreement to publication of the White Paper, subject to any drafting adjustments which are found to be necessary, for example, on further detailed comparison of the English and Scottish drafts.

4. Though a separate Scottish White Paper is necessary, it is important that both should be published at the same time.

W.R.

Scottish Office, S.W. 1.

5th April, 1968
THE OLDER HOUSES IN SCOTLAND: A PLAN OF ACTION

INTRODUCTION

1. This paper outlines the Government's proposals for legislation affecting older houses in Scotland. The social and human consequences of their present condition are distressingly apparent in many of our towns. Some of these houses must be cleared away and replaced; others must be brought to an acceptable standard. To make this possible the law must be changed. But an Act of Parliament can be only a springboard for the action which is required and will not be effective without new efforts by all concerned - Government, local authorities, housing associations and private owners. The Government intend to provide wider powers and new financial incentives, so that local authorities and owners can play their part.

2. In considering their proposals the Government have received substantial help from the report, "Scotland's Older Houses" (1), published last year, of a sub-committee of the Scottish Housing Advisory Committee, under the chairmanship of Mr. J. B. Cullinworth, formerly Senior Lecturer in Urban Studies at the University of Glasgow and now Director of the Centre for Urban and Regional Studies at the University of Birmingham. The sub-committee considered that the condition of almost 300,000 of the older houses was so bad that they ought to be replaced quickly - within ten years if possible - and drew attention to the need for the rehabilitation and improvement of at least 200,000 more. This means that the number of older houses for which effective action needs to be taken or planned in the near future is half a million, or 30 per cent of Scotland's total stock.

3. Since the report was published, fuller information has become available from the results of a survey, published as "Scottish Housing in 1965" (2), which 350,000 houses, one-fifth of the Scottish total, do not have a fixed bath or shower. Nearly one-quarter lack a hot water supply to bath, wash hand basin and sink. More than 200,000 have no internal water closet. Even of those which are thought to have a useful life of more than 15 years, 9 per cent do not have a fixed bath and 5 per cent have no internal water closet.

(2) Government Social Survey on behalf of the Scottish Development Department 1967.
Other evidence about the highly unsatisfactory state of the older houses is provided by the recently-published book, "A Profile of Glasgow Housing 1965" (3) and by the material now being derived from the 1966 Sample Census. It is now clear that the lack of amenities is in many ways more striking in Glasgow houses than in the Scottish stock generally. Many of the houses in the city are tenements, and no less than one-half of them have a floor area of less than 500 square feet. The information flowing from the 1966 Sample Census details the facilities available in the housing stock in each local authority area.

Mere to have so much information about our houses is in itself a step forward. Constructive thinking has often been inhibited by the absence of accurate information; much of the information we have had - based for instance on local authority returns of houses which were classified by them as unfit for human habitation - is now seen to have been misleading.

As the Cullingworth sub-committee emphasised, however, statistics alone cannot adequately describe the problem. Many people are forced to live in appalling conditions: the neglect and dilapidation of the common closes and staircases and the back courts have often overwhelmed the good intentions of individual householders.

The policy underlying the proposals now put forward is that more should be done year by year to replace those houses which have outlived their usefulness as to rehabilitate and improve those which have a further useful life.

The Government consider that worthwhile results will be achieved only if the local housing authorities accept that they have an important role in their districts, not only as the providers of houses for letting, but also as the coordinators of all efforts directed to securing satisfactory housing for the whole community. There will be a role for housing associations, and much will depend on the co-operation of owners, factors and residents, but the local housing authorities must take the lead in driving the policy forward in each district. Legislation can give them better powers, better techniques and better financial arrangements. They alone can provide the drive without which

Since 1945, the local authorities have built some 450,000 houses and
more, together with nearly 200,000 built by other public bodies and the private
sector, have gone far to reduce the absolute shortage of housing in Scotland.

Major contribution in the post-war period does not lessen the need for
authority housing activity in the future, but it does mean that the
pace of that activity needs to be very different in future from what it was
a few years ago. In particular, further increases of the housing stock,
still necessary in some parts of Scotland, have become less important
in renewing the existing stock, either by replacement or rehabilitation.

Before building new houses, it is now more than ever necessary to give
consideration to the needs which have still to be met; and all
interests must be co-ordinated if the right decisions are to be taken about
renovation of existing old houses. On these matters only the local authority
give the lead and secure the co-operation which is essential.

THE SPECIAL PROBLEM OF TEVENETS

10. Tenements are at the heart of the Scottish housing problem. Their
multi-storey blocks form a striking feature of the landscape in our larger towns.
Almost all of them were built in the half century which ended with the outbreak
of the first world war. The problems they pose are of special importance
to have been, not only because there are so many of them - about 400,000 in all, or
exactly 25 per cent of the total stock - but because the proportion of them is
largest in towns where the housing problems are most severe.

11. Because of their bulk, the materials of which they are constructed and
multiple ownership which is now widespread among them, they are extremely
difficult to clear and demolish. Because they accommodate so many families in
small compact area, redevelopment cannot achieve similar densities along
modern living standards. The local authority must rehouse those who
must be accommodated when the area is redeveloped; moreover, they must be
also to provide houses for all the affected families during the period of the
development work.
12. The alternative, to improve the tenements, may be difficult and costly. The small size of most of the houses, and the number of very small ones, makes it difficult to provide amenities, such as bathrooms, within the existing outer walls. Extensions built by conventional means would be prohibitively expensive, and prefabricated techniques have not yet been sufficiently developed to hold much promise for the foreseeable future. So it may be impossible to provide all modern amenities without displacing some households when the improvement is achieved; for example, by converting three houses on one storey into two. The structure of the tenements is old and often in disrepair, and the environment in which the blocks stand is often unsatisfactory. Because of the difficulties, little improvement work has been undertaken in recent years.

13. It is, however, important that the improvement of tenements should not be written off as being too difficult or too costly, especially as to replace within a reasonable period all which are unsatisfactory is likely to be impracticable. Some limitation of the range of the improvement work done would enable the cost to be kept down. The improved houses would generally be smaller than houses now being built, but by providing good accommodation for smaller households they would meet the needs of a section of the community whose housing conditions have often been a particular problem. Studies of the technique of limited improvement are in hand.

14. One of the difficulties in the past has been the high level of incidental repair costs. A survey carried out recently of a sample of typical tenements in Rutherglen indicated that the repair costs which need arise with limited improvement schemes was not so heavy as had sometimes been imagined. Repair costs arising from the type of improvement work now proposed should not be a formidable obstacle to progress.

15. While it is hoped to develop centrally some techniques which will be of help to local authorities and private owners, it is clear that the question whether full or limited improvement of any particular Scottish tenements is justified on economic or other grounds, or is the only way of
securing tolerable housing conditions within a reasonable period, must be weighed against the other choices. There is no alternative to considering in each instance whether the best treatment is replacement or improvement.

**A NEW BASIS FOR LOCAL ACTION**

16. Because of the need for thorough consideration of what is the best treatment in each instance, the Government consider that the treatment of older houses must be planned for often quite large areas within each local authority's district. Where replacement is needed, a procedure for clearance is already set out in the Housing (Scotland) Acts, but few local authorities use it; they appear to rehouse tenants from unsatisfactory houses when they qualify for other reasons, and to classify the houses in question as unfit only after they have become vacant, rather than to plan the clearance of areas of unfit housing and to rehouse the tenants as a necessary consequence. In some instances the reason is that the local authority considers the statutory provisions to be unsatisfactory. The Housing Acts also include a procedure, first introduced in 1964, for local authorities to define improvement areas within their districts and to have improvement work carried out, if necessary compulsorily, within them; but only three authorities have endeavoured to make any real use of the procedure and all have run into difficulty, mainly because of its cumbersome and protracted nature.

17. The Government's aim is to remove obstacles to faster progress and accordingly it is proposed to simplify and to alter the procedures relating to clearance and to improvement so as to make them more suitable and effective, and also to assimilate them to each other since, after an area has been considered as a whole, it may well be decided that part of it should be dealt with by clearance and part by improvement, and the local authority should be able to proceed accordingly.

18. The beginning of the whole procedure must however be to identify areas which require treatment of one sort or the other. The report "Scotland's Older Houses" recommended that for purposes such as this there should be a statutory standard of "tolerability" which should depend largely on objective
considerations, such as the provision within the house of a sink provided with
cold and hot water, and a W.C., but which would also include tests
requiring the exercise of some judgment, for example, whether the house is free
for damp and has adequate ventilation and lighting. The Government agree that
in Scottish conditions a statutory standard would be a desirable starting point for
these procedures, and propose that the legislation should introduce suitable
provisions to define the statutory standard and to enable local authorities to
initiate appropriate action in relation to houses which do not come up to that
standard.

FASTER CLEARANCE

19. The annual rate of slum clearance in Scotland in recent years has
improved steadily as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>12,085</td>
</tr>
<tr>
<td>1963</td>
<td>12,058</td>
</tr>
<tr>
<td>1964</td>
<td>14,392</td>
</tr>
<tr>
<td>1965</td>
<td>15,534</td>
</tr>
<tr>
<td>1966</td>
<td>16,650</td>
</tr>
<tr>
<td>1967</td>
<td>19,087</td>
</tr>
</tbody>
</table>

These figures are encouraging as far as they go, but fall far short of the
average of 30,000 a year required to meet the recommendation in paragraph 2 above.
Determined efforts must be made to increase the rate of clearance, and local
authorities must use a greater proportion of their available houses (both
these newly-built and those becoming available for re-letting) specifically for
the purpose of enabling unsatisfactory houses to be closed.

20. Following the proposal in paragraph 18, that future procedures should
stem from the identification of areas requiring treatment in accordance with
a new statutory standard of "tolerability", the procedures for taking
unsatisfactory houses out of use will no longer be related to the "unfitness"
criteria now set out in section 5 of the Housing (Scotland) Act 1966, which
have proved to be unsuited to Scottish conditions. When a house is not up
to the "tolerable" standard, the local authority will not be obliged to take
action to have the house closed or demolished. As already indicated, the local
authorities will be given powers to take various kinds of action in regard to
houses falling below the statutory standard. But the intention is that the
authorities should be placed under a general obligation to exercise the powers

6.
soon as practicable, and that the Secretary of State should be able to
require local authorities to take specified types of action in areas defined
this.

21. Another factor which has been delaying progress with clearance is the
compensation which is payable when an unfit house is acquired by a local
authority. Many owners who object to clearance proposals do so because they
are dissatisfied with the compensation they will get if their house is classified
as unfit. The present basis of compensation is the site value or the market
value of the unfit house, whichever is the less, subject to the proviso that an
owner-occupier cannot get less than the gross annual value of the house. The
underlying principle, namely that an unfit house no longer has any value as a
place to live in, has been followed for fifty years and there is no reason for
departing from it now. But clearance is likely to affect an increasing number
of owner-occupiers and it seems right that the proviso which at present recognises
the special hardship which they suffer when their house is acquired should be
replaced by some rather less limited provision. The Government accordingly
propose to introduce new arrangements, which are set out in detail in the next
paragraph.

22. (1) The owner-occupier of a house which is the subject of —

(a) a closing order or a demolition order under Part II of the
Housing (Scotland) Act 1966 or a declaration of unfitness
order under Schedule 2 to the Land Compensation (Scotland)
Act 1963 made, or

(b) a compulsory purchase order under Part II of the Housing
(Scotland) Act 1966, in respect of which the notice under
section 11 or the notice of determination to purchase under
section 20 is served, or

(c) a clearance order or a clearance area compulsory purchase
order under Part III of the Housing (Scotland) Act 1966
in pursuance of a clearance resolution passed —
after the date of this White Paper will be entitled to a special payment, or
supplement. Where the house is acquired, the payment will be in addition to
the basic compensation; where the house is not acquired, the payment will be
the only sum that passes.
(2) The payment, which will be equivalent to the amount by which the market value of the house exceeds the value derived from the present statutory formula, will be payable to the owners of houses which are owner-occupied as defined in sub-paragraph (3) below. Payment cannot be made until the necessary legislation is enacted, but the owners concerned will be able to claim later (except insofar as they may already have received the equivalent sum - for instance, on a sale by agreement.)

(3) An owner-occupied house means in the first place any house which has been occupied by its owner or a member of his family ever since the date of this White Paper. Where a house is acquired for occupation after that date it will have to be owner-occupied for two years before the new arrangements will apply to it. Such a waiting period is necessary in order to prevent last-minute sales being arranged simply to qualify for the supplement.

(4) "Well-maintained" payments will not be paid where a house qualifies for the new supplement, but where it does not, the maximum of such payments will be increased from $3\frac{3}{5}$ to $7\frac{1}{5}$ times the rateable value of the house, and the new figure will apply to tenant as well as to owner-occupied houses. The payments will continue to be limited to the amount required to bring the value determined on the present statutory formula up to the market value of the house. The apportionment of the payment between landlord and tenant will continue to be a matter for the local authority.

MORE IMPROVEMENT

23. Not nearly enough improvement work has been done in Scotland. The grants which private owners may be given are of two kinds, standard grants which are available as of right in support of the cost of providing certain basic amenities and discretionary grants which cover a wider range of work. The numbers of grants in recent years were -

<table>
<thead>
<tr>
<th>Year</th>
<th>Discretionary grants</th>
<th>Standard grants</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>2,390</td>
<td>1,566</td>
<td>3,956</td>
</tr>
<tr>
<td>1963</td>
<td>2,485</td>
<td>1,421</td>
<td>3,907</td>
</tr>
<tr>
<td>1964</td>
<td>2,515</td>
<td>1,328</td>
<td>3,843</td>
</tr>
<tr>
<td>1965</td>
<td>2,666</td>
<td>1,371</td>
<td>3,737</td>
</tr>
<tr>
<td>1966</td>
<td>2,621</td>
<td>1,464</td>
<td>4,085</td>
</tr>
<tr>
<td>1967</td>
<td>2,390</td>
<td>1,213</td>
<td>3,603</td>
</tr>
</tbody>
</table>
The numbers of grants paid to local authorities in respect of improvements to houses which they own were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>427</td>
</tr>
<tr>
<td>1963</td>
<td>207</td>
</tr>
<tr>
<td>1964</td>
<td>813</td>
</tr>
<tr>
<td>1965</td>
<td>2,504</td>
</tr>
<tr>
<td>1966</td>
<td>3,431</td>
</tr>
<tr>
<td>1967</td>
<td>3,679</td>
</tr>
</tbody>
</table>

Much of this work by local authorities was of a limited kind, designed to provide facilities, in particular electric power circuits, which were lacking in the older subsidised houses. Large sectors of the older housing stock in Scotland are entirely unaffected by present grant-aided improvement activity.

24. One reason for the limited use of improvements grants is that the maximum amounts which can be paid are too low. The Government propose that the normal maximum level of discretionary grant should be raised from £500 to £1,200 and that it should in future be possible to include in grant-aided improvement work certain items which have in the past been ineligible. Grants will continue to be restricted to half the actual cost. It is proposed to increase the ceiling for the standard improvement grant to £200 and to revise the costs of the individual items as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Now</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Amenity Bath</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Washhand basin</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Hot and cold water to bath</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>Hot and cold water to washhand basin</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Hot and cold water to sink</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>W.C.</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Food store</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Sink</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>155</td>
<td>200</td>
</tr>
</tbody>
</table>

25. The problems posed by improvement differ from one area to another and it is right that the assistance which local authorities can give should be appropriate to the needs that arise. Local authorities will therefore be given discretion, subject to any directions which the Secretary of State may give, to waive some of the existing conditions for grant. Among those to be
...olved might be those relating to the estimated "life" of the houses to be improved and the standard of improvement to be achieved, the requirement that all the missing "basic amenities" must be provided at once if a standard grant is to be paid and the requirement that grant cannot be paid if the work has been started before the owner applies. On the other hand, authorities will be given power to impose a time limit within which any approved work must be done.

26. If there is to be a major increase in improvement activity it will be necessary to ensure that landlords have a reasonable incentive in the form of an increased rent in return for the expenditure which they incur. In the first place, the rent regulation provisions of the Rent Act 1965 will be extended to apply to houses which are improved with grant assistance, even if they were previously subject to controlled tenancies. It will follow that the rent to be charged for these houses will be the "fair rent" for which the machinery of the 1965 Act provides. These provisions will replace the present provisions under which in certain cases (for instance, for conversions) the local authority which pays the grant fixes the maximum rent which may subsequently be charged,

27. In the case of grants to local authorities it is proposed that the maximum eligible cost should be raised from £1,400 to £2,500. This new figure will also apply when housing associations, for whom there may be increased scope in improvement work, make approved arrangements with a local authority.

**Improvement Areas**

28. In order to make progress with new improvement policies it will be necessary to replace the rather cumbersome provisions of Part IV of the Housing (Scotland) Act 1966. Under the revised powers referred to in paragraph 18, local authorities will be able to designate improvement areas. The aim in these areas will be to help and persuade owners to improve their property and to help them also by improving the environment. In the view of the Government the voluntary principle must be the guiding one in all this and the powers of compulsory purchase, which local authorities will require to have,
should only be used as a last resort. It will be essential for the local authority to consider the wishes of the people in the area and to explain its plans fully to them.

29. The Government propose a new grant of 50% on approved expenditure by local authorities on works and land acquisition for improving the environment of an area, for example by providing children’s play spaces or planting trees. The grant-aided expenditure would be limited to £100 per house in the area.

**OTHER MATTERS**

**Patching**

30. The Cullingworth sub-committee strongly recommended that in those areas with the worst housing problems a major programme of "patching" should be put in hand at once. What they had in mind was that some means must be found of improving without delay the worst conditions in which people will be obliged to live for a number of years. Very little patching has been done in Scotland since grant for it was introduced in 1954. The reasons for this are not to be found in any dissatisfaction with the amount of the patching grant, but rather in the fact that patching relates, by statutory definition, to houses which are unfit, and accordingly that carrying out the patching work involves the local authorities in acquiring and managing slum property. The Government think it right that local authorities should undertake patching work on those houses which are suffering from substantial disrepair but must be kept in use. For this purpose it is proposed to continue to give grants related to the cost of acquisition of such houses and of keeping them in use for a limited time.

**Repairs**

31. Much of the older housing stock has suffered because necessary repair work has been neglected over a long period. Local authorities have powers, scattered through a number of different statutes, which enable them to enforce, subject to appeal to the Sheriff, works of repair which they consider to be necessary. These powers, however, do not come into play until the house has deteriorated so far as to be injurious or dangerous to health, unfit or dangerous. If the general condition of the housing stock is not to be
subject to further serious deterioration, and if the cost of future policies for dealing with the older housing stock is to be kept within reasonable bounds, it will be necessary to strengthen the powers of local authorities so that they may intervene effectively before deterioration goes too far. The effects of the storm of 14th/15th January 1968 emphasise the need for such powers. This can be done, without detracting from the rights of owners of houses, by redefining the powers of the local authorities in such a way that they can act whenever there is substantial disrepair. The forthcoming legislation will include powers designed to have this effect.

Control of Houses in Defined Areas

32. Local authorities often complain that, after they have rehoused a family from a house which they propose to close, a second family moves in before the closing order becomes effective and the local authority then feel obliged to rehouse the second family also. Part of the remedy for this difficulty no doubt lies in the allocation policies of local authorities; but in order to strengthen their powers in relation to houses in advance of statutory closure procedure it is intended to give them a measure of control over the occupation or sale of houses in areas which have been defined for action. Legislation might, for instance, provide that after a certain stage such houses could only be relet to tenants approved by the local authority or sold with the consent of the authority.

SUMMARY OF PROPOSALS

33. The Government's main specific proposals are that:

(a) there should be emphasis on the need to plan the treatment of whole areas of old houses, and a new standard of tolerability should be introduced for the purpose of defining the areas (paragraphs 16-18);

(b) the compensation payable to owner-occupiers whose houses are required to be cleared, and the well-maintained payments in respect of other houses, should be increased (paragraph 22);

(c) the maximum amounts of improvement grants should be increased and some changes should be made in the rules governing payment (paragraphs 24-27);
(d) the rents of houses improved with grant should go over to the "fair rent" system (paragraph 26);

(e) new statutory provisions affecting area improvement should be introduced (paragraphs 28 and 29);

(f) local authorities should be given extended powers to compel owners to repair houses (paragraph 35).
Addendum to White Paper

"The Older Houses in Scotland: A Plan of Action"

The maximum extra costs to which the proposals in the White Paper will lead are estimated to be -

(£ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>Nil</td>
<td>1.8</td>
<td>2.5</td>
<td>3.1</td>
<td></td>
</tr>
</tbody>
</table>

The proposals will involve a gradual change in the use of manpower among local authorities. There is likely to be little more trained manpower available; indeed the availability of qualified sanitary inspectors, architects, surveyors and other professional officers will be the main limiting factor in securing an expansion of the type of work concerned.

As regards the building industry, the fairly specialised labour force which the new improvement effort will require may be drawn partly from those now involved in new house construction, but will come mainly from those now chiefly engaged in repair and maintenance work. The representatives of the building industry will be consulted in due course about how any necessary adjustment of the existing pattern can be achieved.