CABINET

HOUSING POLICY

MEMORANDUM BY THE SECRETARY OF STATE FOR SCOTLAND

I attach a draft Scottish White Paper on housing policy to be considered together with the paper by the Minister of Housing and Local Government already circulated under cover of C. (53) 219. Like his draft, mine is not in final form.

2. There have been discussions between us, but there are several points of substance on which we differ. Some of the differences can be justified by different circumstances: others will be difficult to defend.

I.—DIFFERENCES ON RENT PROPOSALS

3. The Minister of Housing refers to these differences in his memorandum (paragraphs 3-12). The main one arises on the expenditure test—the question whether the owner should have to spend a qualifying sum on repairs before raising the rent.

4. I feel that such a condition would make my Bill unworkable. Scottish owners have lost much of their incomes because of increases in owners' rates. It will be difficult enough for most of them to pay for the actual repairs that are necessary to put their houses in good and tenantable repair with a view to claiming the rent increase. They should be expected to spend only what is necessary, not an arbitrary qualifying sum which may be more or less than this. Where the houses are already in repair, the owners deserve the increase at once and should not be denied it until they spend further money.

5. The rent increases will be staggered, in Scotland anyway, because most owners will have repairs to do first and they will take different periods to do them. The tenants will see these repairs being done and the increases will be associated in their minds with these repairs.

6. If Scottish owners were required to satisfy an arbitrary expenditure test in addition to putting their houses in repair, I fear that many of them would be discouraged and disgruntled and would abandon all idea of trying to keep their houses in repair. This would merely aggravate a problem which is already extremely difficult and add further to the prospective burdens of the local authorities and the Exchequer.

7. Further, since the rent increase is to enable owners to carry out repairs in future, I think that if an initial expenditure test were adopted, there would be strong pressure to make it a continuing test. (The Minister of Works has already suggested such a test in his memorandum C. (53) 230, paragraph 11.) The case for such a test would not be easy to resist, but it would lead to a greater disinclination on the part of owners to put their houses in repair.

8. The amount of the rent increase in England and Wales is so calculated as to compensate the owner for three-quarters of the increase in repair costs since 1939. I do not believe that Scottish owners can fairly be expected to bear any part of the increased cost of repairs. I propose, therefore, to give them, in the
increased rent, the whole of the increase in repair costs. This means a 40 per cent.
increase in rents: three-quarters of the increase in repair costs would mean a
33\(\frac{1}{3}\) per cent. increase in rents. As the Minister of Housing suggests, this difference
can be justified, but our critics will not fail to take the point.

II.—DIFFERENCES ON PROPOSALS FOR DILAPIDATED PROPERTY

9. My draft White Paper also differs from the Minister's as regards the
proposals for dealing with dilapidated property, in three important respects: —

(A) I do not propose to redefine the term “fitness for human habitation.”
(Paragraphs 56 and 57 of the Minister's draft White Paper.)
(B) I do not think it necessary to have a formula for circulating the “reason-
able expense” which an owner can be expected to incur to make a
house fit. (Paragraph 58 of the Minister's draft White Paper.)
(C) I feel that I must be able to say that where a local authority take over a
house that they will need to keep for a long time, they should not only
make the house “more tolerable” but should make it fit if this can be
done at reasonable expense to the authority, having regard to the life
of the house. (Paragraphs 40 and 42 of the Minister's draft White
Paper.)

10. These differences may be to some extent differences of approach rather
than substance: nevertheless, I think it right to draw attention to them.

A.—The Question of Defining “Fitness for Human Habitation”

11. In the industrial areas there is a vast mass of old out-of-date property,
much of it in the typical Scottish “tenement” of three and four storeys, massively
built, difficult to alter, difficult even to knock down. For years rising repair costs
and the peculiar Scottish burden of owner's rates have left the owners of many
of these houses little, sometimes literally nothing, by way of return. As a result,
many houses are in serious disrepair and even the rent increase will often seem
an inadequate incentive to the owners to put things right (the appendix to my
White Paper illustrates the financial position of these owners).

12. There are many thousands of houses in Scotland in more or less the
same condition of serious disrepair: in Glasgow alone, there are at least 50,000
and perhaps even 100,000. No local authority in the industrial areas can deal
with more than a minority of these houses, even in five or ten years. For other
local authorities elsewhere in Scotland—some of the smaller burghs, for example—
the problem is relatively much smaller. They could see their way to demolishing
or acquiring and patching all their bad houses in a few years.

13. It follows that the standard of fitness accepted by local authorities will
vary from area to area. Some local authorities will be acquiring and patching,
even demolishing, houses in a condition which other local authorities perforce will
be accepting as fit for years to come because they have much worse houses to deal
with first.

14. As regards rent the Minister says (paragraph 61 of his draft White Paper)
that the owner is not to get the increase unless he makes the house fit and in good
and tenantable repair.

15. Houses can be condemned as unfit, broadly speaking, either because of
very serious disrepair or because of sanitary defects. My proposals would enable
the tenant to withhold part of the rent if the house is not in repair. But the sanitary
defects are often inherent—they were there when the tenant took the house, and
they may indeed be irremediable. It can be argued therefore that the fitness or
otherwise of the house when it has never varied is not relevant to the question of
increasing rent.

16. The repair bills on houses with inherent defects have gone up as on other
houses and so long as these defective houses are needed it is in everybody's interest
that the owners should get the rent increase to enable them to keep their houses in
repair.
17. For these reasons I do not think that a new definition of fitness is necessary or desirable in Scotland to determine either (i) which houses should be dealt with by the local authority or (ii) which rents should be raised.

18. I propose to leave the existing definition, or lack of definition, alone and to rely on the local authorities and the courts using common sense, as they have done in the past, and applying standards appropriate to the local circumstances. I take this line more readily in that, unlike the Minister of Housing and Local Government, I have had no strong representations from local authorities as to the need for a new definition.

B. — "Reasonable Expense" for the Owner to make Houses Fit

19. In Scotland the net return to owners from many houses is so low that even with rent increases the return would not be sufficient to enable them to recover any substantial expenditure they incurred on works to make a house fit. Any substantial expenditure, therefore, would be unreasonable from the owners' point of view.

20. Moreover, the existing Scottish law contains a special provision that where the local authority seek to require an owner to make his house fit, he may instead ask them to make or order for the demolition or closing of his house. This the local authority cannot unreasonably refuse. This provision is an adequate safeguard for the Scottish owner, and there is no advantage to him in defining "reasonable expense."

21. In these circumstances, and since there has been little or no trouble in Scotland without a definition, I prefer not to lay down any hard and fast formula for determining the amount that the owner can reasonably be expected to spend.

C. — How much is the Local Authority to do to Houses in Take-overs?

22. The houses which a local authority takes over will be, for the most part, houses which the owner cannot make fit at reasonable expense to him. But in Scotland it would not be right to say, as the Minister says in paragraph 42 of his draft paper, that all these houses are by definition "irretrievably unfit." This may be so for the owner, but it is not necessarily so for the local authority. The owner has only his own resources; he has little or no prospect of a return for his money, and, often, he has no real interest now in preserving his asset at all. The local authority on the other hand has either to keep the house or incur a very heavy financial liability in replacing it by a new one. On some of the houses, therefore, an expenditure unreasonable for the owner will be reasonable enough for the local authority.

23. Also, some of the houses which local authorities take over in Scotland will have to remain occupied for a great many years. The local authority will not want to do less than make these houses fit; the pressure from tenants will be overwhelming.

24. The whole purpose of the measures we are considering is to preserve the stock of older houses as far as is reasonably practicable. I feel I must be able to say that where houses will have to remain occupied for a long time it is the Government's intention that the local authority should make such houses fit, wherever the expense is reasonable having regard to the life of the house. I cannot contemplate providing for the local authority merely patching them where it could reasonably do more. Indeed, I think that we ought to give the local authority an incentive to do more and this aspect is being discussed with the Treasury and the Ministry of Housing and Local Government.

III. — Rents of Council Houses

(Paragraphs 16–20 of C. (53) 219)

25. Like the Minister, I recognise that the rents of Council houses are not what they should be. I must admit that in this respect the record of the Scottish local authorities looks even worse than that of English local authorities. There are already signs, however, that local authorities are being compelled by financial pressure to raise their rents. An increase in the rents of privately-owned houses will help this tendency.
26. I am very doubtful whether it would be wise to try to accelerate the tendency by amending the law. We should lay ourselves open to the charge that we are taking away the complete freedom which local authorities now have to fix their own rents. I should prefer to try to achieve administratively whatever we decide should be done. Even then, I think that any guidance we give local authorities would have to be very carefully presented.

27. I have put nothing into my White Paper on this subject for the moment, but I shall consider very carefully whatever proposal the Minister puts forward, since in this matter it seems difficult to justify any difference between the two countries.

J. S.

Scottish Office,
9th September, 1953.
The purpose of this paper is to outline the present housing position in Scotland and to indicate the further measures which Her Majesty's Government consider necessary to deal with it.

2. Since the war local authorities have been encouraged, as a first step in the improvement of housing conditions, to concentrate on the building of additional houses so that each family may have a separate home of its own. Altogether [ ] permanent houses and [ ] temporary houses, making a total of [ ] new dwellings, have been built in Scotland since the war; and building is at present proceeding at the record rate of [ ] houses a year. The extent to which local authorities have now met the shortage of houses varies from district to district: in many of the smaller districts substantial reductions have been made in the waiting lists; in others, much remains to be done.

3. So long as large numbers of families have no separate homes of their own, the building of additional houses to reduce the shortage must remain the primary aim of housing policy. Her Majesty's Government propose, therefore, that the building of additional houses should be continued to the fullest extent that the resources of labour and materials will allow. But they consider that the time has now come when steps should also be taken to deal with the bad conditions which exist in many of the older houses.

Condition of Existing Houses

4. The important place occupied by the older houses in the national housing structure can be measured from these approximate figures:

<table>
<thead>
<tr>
<th>Percentage of whole</th>
<th>Houses built before 1880</th>
<th>Houses built between 1880 and 1914</th>
<th>Houses built between 1915 and 1944</th>
<th>Houses built between 1945 and 1951</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>600,000</td>
<td>320,000</td>
<td>366,000</td>
<td>188,000</td>
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<td></td>
<td>41%</td>
<td>22%</td>
<td>24%</td>
<td>13%</td>
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<td></td>
<td>1,474,000</td>
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<td></td>
<td>100%</td>
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5. These figures show that two-fifths of the population are living in houses over 70 years old and the majority in houses over 40 years old. It is plainly in the national interest that so far as possible these older houses should be maintained in good repair so long as they are needed and that where improvements can bring them up to date at a reasonable cost, they should be improved. Very few houses to rent have been built in Scotland by private owners since 1914. Nearly all the 750,000 privately owned houses that are let are among the 920,000 houses that date from before 1914 and many of them were built before 1880.

6. There has been no recent survey in Scotland to ascertain the physical condition of houses. They can, however, be divided into three broad categories. At the one end of the scale are houses built to modern standards with good equipment and in good repair. Practically all local authority houses, which constitute the great bulk of the houses since 1914, are in this class. At the other end are houses so worn out through age and disrepair that they should be knocked down as soon as possible: between these two extremes are houses which are capable, with repairs, and sometimes improvement, of a considerable further period of useful life.

7. In addition, therefore, to the building of new houses to reduce the housing shortage, any comprehensive plan which aims at dealing with Scotland's housing conditions as a whole must include measures (a) for the repair and improvement of existing houses which can be made to provide good and tenantable accommodation, and (b) for dealing with those houses which are unfit to live in in their present state.
Her Majesty's Government have formulated the following proposals with this end in view. For the reasons given above they affect almost exclusively the privately owned houses.

**Repair and Maintenance: The Present Situation**

8. During the war repair and maintenance work was severely curtailed and in the post-war years it has not been resumed on anything like a full scale. As a result, there is now an accumulation of disrepair which, if not dealt with, must lead to the progressive deterioration of houses forming a valuable national asset.

9. This situation is attributable to two main factors. First, there has been a steep and progressive rise in the cost of repairs since 1939. Secondly, since the rents of houses were controlled, in some cases as long ago as 1920, under the Rent and Mortgage Interest Restrictions Acts, there has been a steady increase in most districts in the amount of owners' rates. In the case of houses controlled under these Acts, therefore, owners have been faced with rising repair costs and a progressively diminishing net income with which to meet them. The effect on rent incomes of these higher repair costs and higher owners' rates may be seen from the examples given in the Appendix.

10. Her Majesty's Government consider that any solution of the problem of house repairs must, therefore, deal with both rents and the rating system. Their proposals are explained in the following paragraphs. Briefly, they are (i) that the rents of controlled houses in Scotland should be increased by an amount reflecting the rise in the cost of repairs since 1939, and (ii) that steps should be taken to ensure that the additional rent will be available, in the tenants' interest, for the repair of the houses and will not be consumed by further increases in owners' rates.

**Increase of Rents**

11. In Scotland the Rent and Mortgage Interest Restrictions Acts apply, broadly speaking, to all privately owned houses with a rateable value not exceeding £90 which are let unfurnished. Houses are divided into two classes—"old controlled" houses, i.e., those controlled under the Acts in force immediately before 2nd September, 1939, and "new controlled" houses, i.e., those brought under control on that date either for the first time, or as having previously been controlled and later decontrolled. There is a "controlled" rent for each house. In "old controlled" houses, it is the amount of the rent at which the house was let in 1914, plus 40 per cent., plus an allowance for increases of owners' rates between 1914-15 and 1919-20. For a "new controlled" house, the controlled rent is the rent at which the house was let on 1st September, 1939. Where a house was let for the first time after 1st September, 1939, the "controlled" rent is the rent at which it was first let, or any lesser rent fixed by a Rent Tribunal under the Landlord and Tenant (Rent Control) Act, 1949.

12. In Scotland there are no serious anomalies in the rents of similar houses arising from the fact that some were decontrolled between the wars and others not. Broadly speaking, there is no real disparity between the level of rents for "old controlled" houses and that for "new controlled" houses. Any increase of rent can, therefore, be made at the same rate for all controlled houses without producing unfairness as between tenants of comparable houses.

13. The increase of rent authorised by the new Act of 1920 was based on the assumption that about 28 per cent. of rent would be required for repairs. By 1939, however, the cost of repairs had fallen; it seems to Her Majesty's Government, on the information about repair costs which they have obtained, that it would be fair to take the repairs element in controlled rents at about 21 per cent., or just over one-fifth of the gross rent.

14. A Sub-Committee of the Scottish Building Costs Committee, after carrying out a sample investigation, have advised that the cost of house repairs in Scotland rose by 173 per cent. between 1939 and the end of 1952, and they expressed the view that, since houses require more repairs as they grow older, the actual increase in the repair bills for the type of houses under consideration might well be about 200 per cent. That is to say, it now costs about three times as much to carry out necessary repairs on these houses as it cost in 1939. If, therefore, in 1939 owners needed one-fifth of the existing gross rent to keep their houses in good
repair, they now need three-fifths—an increase of two-fifths, or about 40 per cent. Her Majesty’s Government propose, therefore, that the owners of controlled houses in Scotland which are, or are put into, good and tenantable repair should be authorised to increase the gross rent by 40 per cent. to meet the rise in repair costs since 1939. If these proposals are accepted by Parliament, they would mean that a rent of a controlled house at present let at £15 a year could be increased to £21—an increase of £6 a year, or about 2s. 4d. a week. Her Majesty’s Government are satisfied that a flat-rate percentage increase of this order represents the most equitable way of enabling Scottish owners of controlled houses to maintain their houses in good and tenantable repair.

15. As already indicated, the increase in rent will be allowed only if the house is in good and tenantable repair. If it is not, the owner must carry out the necessary repairs before claiming the increase. The owner will be required to declare that the house is in good and tenantable repair when he serves the formal notice of rent increase on the tenant. If the tenant disputes the owner’s declaration in this respect, he will have the right to apply to the local authority for a certificate of disrepair. Such a certificate would enable him to withhold the permitted increase in rent, in addition to any sums which he may already be entitled to withhold under the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, until the house is put into good and tenantable repair.

16. The 40 per cent. increase in rent will, of course, be payable only where the owner of a house is responsible for, and actually carries out, the works necessary to maintain the house in good and tenantable repair. Where the owner does not carry out all the repairs himself, and some are done by the tenant, the increase will be proportionately less, and failing agreement between the owner and tenant, will fall to be settled by the sheriff.

17. The proposed increase of rent will not extend to the small number of controlled houses let by owners for the first time since 1939. The rents of these houses, whether fixed by Rent Tribunals or otherwise, may already reflect some part of the increased cost of repairs since 1939. It is proposed, therefore, to authorise the Rent Tribunals to fix the appropriate increases in these cases.

Changes in the Rating System

18. In Scotland the liability for rates in respect of a controlled house differs in two important ways from that in respect of a controlled house in England and Wales. First, rates in Scotland are payable on the gross value, which is the full amount of the rent. Secondly, a proportion of the rates is payable by the owner. Owners of controlled houses were allowed in 1920 to add to the rent the difference between the owners’ rates payable in 1914–15 and 1919–20; but they immediately became liable to pay owners’ rates on that increase and also on the rent increase of 40 per cent. permitted in 1920. They have not been allowed to increase the rent in respect either of that liability or of subsequent increases in the level of rates. If no special provision is made, any new increase of rent now permitted will again become rateable: the owner, as well as the tenant, would have to pay rates on it. Consequently, either its amount would have to be substantially greater than would otherwise be necessary or its purpose of enabling the owner to meet the higher cost of repairs would be defeated.

19. In the light of these and other consequences of the Scottish rating and valuation system it appeared to Her Majesty’s Government that an impartial investigation of that system was called for; and accordingly the Secretary of State has appointed a departmental Committee under the chairmanship of Lord Sorn “to review the present system of valuation and rating—other than the derating of agricultural, industrial and freight transport lands and heritages—in Scotland; to consider whether any, and if so, what, changes should be made in the system; and what other action would in consequence of any such changes be required; and to report.”

20. In the meantime steps must be taken to avoid the increase of rent to meet the cost of repairs having to be inflated to cover a consequential liability for rates and to ensure that the sums available to meet the cost of repairs are not diminished by the owner’s rating liability. It is proposed, therefore, as an interim measure, (a) that any increases allowed in the rents of controlled houses in Scotland should
not be taken into account in determining the rateable value of the houses—so that both owner and tenant would continue to pay rates on the present rent only—and (b) that owners' rates on controlled houses should be stabilised at the poundage at which they stand in the current financial year.

21. Her Majesty's Government believe that these arrangements will enable the owners of the great majority of the let houses in Scotland to maintain their houses in good and tenantable repair and so ensure that this important part of the country's stock of houses may be preserved.

Improvements and Conversions

22. Her Majesty's Government have also had regard to the need for encouraging the owners of houses which are structurally sound and capable of improvement conversions to carry out the necessary works. Improvements may be desirable not only to houses otherwise requiring repair but also to houses in good repair which lack modern services and amenities. Conversions may involve the sub-division of large houses to provide more dwellings or the combination of small houses into houses of a more useful size.

23. Exchequer assistance is already available both to private owners and to local authorities for the improvement and conversion of existing houses. Owners who wish to improve or convert their houses can obtain a grant equal to half the cost of the work as approved by the local authority subject, normally, to the total cost being more than £150 but not more than £800. Assistance to local authorities takes the form of an annual grant equal, normally, to three-quarters of the amount by which the rent for the improved dwelling falls short of the local authority's annual charges.

24. The use made of these facilities in Scotland has been disappointing. Grants paid or promised cover only some 2,400 houses. Her Majesty's Government propose to discuss with the Associations of Local Authorities and other interests concerned what can be done to secure greater progress.

25. In addition, the Government have decided to modify the scheme in certain respects. They believe that the condition that the total cost should not normally exceed £800 has had a restrictive effect and they propose that this maximum should be removed without, however, raising the maximum grant above £400. At present the rent of an improved house cannot be raised by more than 6 per cent. of that part of the cost which is borne by the owner. In present circumstances, this addition does not provide a sufficient inducement to owners and it is proposed to raise it from 6 per cent. to 8 per cent., to correspond with the amount in the Rent Restriction Acts by which rent may be increased when improvements are carried out. Under the present law, where the improved house has not been let in the previous five years, the local authority fix an appropriate rent; the Government intend that it should be made clear by legislation that, in so doing, local authorities should have regard to the age and condition of the house after the work has been carried out and to the cost involved. Lastly, the Government intend to advise local authorities that, while it should remain a condition of approval that the house must reach a certain standard, they should use reasonable discretion and not insist on absolute compliance with every requirement where this would make improvement quite impracticable.

26. Her Majesty's Government hope that with these changes many more owners of houses which are rented will be encouraged to undertake works of improvement and conversion that will give the tenants the benefit of modern facilities and amenities.

Measures for Dealing with Unfit Houses

27. While the proposals outlined in the foregoing paragraphs of this paper should enable the great majority of Scottish owners to maintain their houses in good and tenantable repair, some owners may be unable or unwilling to carry out the necessary works. If the disrepair is serious and the houses are likely to deteriorate rapidly unless remedial action is taken, it is in the public interest that the necessary repairs should be carried out if this can be done at reasonable expense and the houses can be maintained as satisfactory dwellings for some time to come.
28. Local authorities, in the case of houses falling into this category, already have powers under the Housing (Scotland) Acts for securing the execution of repairs necessary to make such houses fit in all respects for human habitation. The existing procedure is that where a local authority are satisfied that a house is in any respect unfit for human habitation but is capable of being made fit at reasonable expense, they serve notice on the owner requiring him to carry out the necessary works. The owner may appeal against the notice to the Sheriff; if he does not appeal, or if his appeal is dismissed, and he fails to comply with the notice, the local authority may carry out the works themselves and charge the cost to the owner. These powers will be continued, and local authorities will be encouraged to exercise them in all appropriate cases to prevent any further unnecessary wastage of the country’s stock of houses.

29. The Housing (Scotland) Acts also provide that if an owner can satisfy the local authority that the expense of carrying out work on a house to make it fit for human habitation is unreasonable, having regard to the owner’s financial circumstances, he may ask for the making of a demolition order or a closing order in respect of the house, and the local authority cannot unreasonably refuse this request. Because of this provision, and the general shortage of housing accommodation in their areas, many Scottish local authorities have refrained from taking action which might result in houses being put out of commission altogether. Her Majesty’s Government consider that where an owner who is called upon to make his house fit for human habitation asks for the making of a demolition order or a closing order, but the local authority are nevertheless satisfied that they could make the house fit for human habitation, at a cost which seems reasonable to them, by acquiring it and carrying out repairs themselves, they should be given power to take over the house and do such works as they think necessary for this purpose. In such cases, the houses would be acquired as unfit houses at site value in accordance with the existing provisions of the Housing (Scotland) Acts.

30. There are, however, many houses in Scotland in such a state of dilapidation and disrepair that they could not in any circumstances be made completely fit for habitation and kept in repair at reasonable cost. These houses are ripe for immediate demolition and, but for the interruption of the slum clearance programme, they would no doubt have been demolished before now. The rate at which they can be demolished will depend on the housing situation in the areas in which they are situated; in many areas it may be necessary for houses in this category to remain in occupation for some time. Where this is so, it appears to Her Majesty’s Government desirable that steps should be taken to make the houses more habitable for the tenants. The Government propose, therefore, that where a local authority are satisfied that houses are unfit for human habitation, cannot be made fit at reasonable expense, and cannot yet be demolished because of the housing shortage in their area, they should be enabled to acquire the houses at site value and carry out such work as is necessary to render them reasonably habitable for the tenant for the remainder of the period in which they will be occupied. The standard to which these houses can be repaired cannot possibly be high, but the aim will be to make them at least wind-and-water-tight and to maintain essential services.

31. Her Majesty’s Government do not intend that this course should be an alternative to demolition; it must only be followed where demolition is not for the time being practicable. There are some areas now where it is unnecessary to retain such houses at all, and as the programme of new houses proceeds, the number of these areas will grow steadily. The Government will encourage local authorities to resume slum clearance as soon as, and to the extent that, the local circumstances permit. They may proceed by declaring clearance areas under the Housing (Scotland) Acts and secure the demolition of buildings by Compulsory Purchase Orders or Clearance Orders. They may exercise the powers under the Planning Acts to deal with redevelopment areas.

Exchequer Assistance

32. The acquisition of houses under the new provisions proposed in paragraphs 29 and 30 and the carrying out of work on them, will involve local authorities in substantial expenditure towards which the Exchequer will contribute. The Government propose that part of the Exchequer assistance should be towards the
annual costs of amortisation of loans for the acquisition of the houses during the period that they continue to be occupied. The remaining part of the assistance will take the form of a fixed annual sum for \( n \) years for each house towards the cost of works of improvement and subsequent annual maintenance and management. With these contributions to augment rents, which will be fixed by the local authorities in the light of the standard of accommodation provided, it should be possible to carry out this programme without an undue burden on the rates.

33. It is proposed that local authorities should be required to submit to the Secretary of State for approval periodical programmes for dealing with the accumulated disrepair of house property in their district. The first programme, which would indicate the action to be taken over the following five years, would be submitted to the Secretary of State within 12 months of the passing of the new legislation, but this period could be extended in exceptional circumstances. In this programme, the local authorities would be required to indicate the number of houses which they proposed to demolish as hopelessly unfit and the areas in which the houses are situated and the local authorities' proposals for rehousing the families displaced. The local authorities would also indicate the approximate number of unfit houses earmarked for demolition, but which they proposed to make more habitable by temporary patching until demolition could be carried out. At the time of submission of the first programme the local authorities might not be able to forecast how many houses they proposed to acquire in the five-year period in order to repair them and make them fit for human habitation; but in subsequent programmes they would indicate the approximate number of houses in this class. The Secretary of State would approve the programme with or without amendment, and as approved it would be the basis on which the local authorities would operate over the next five years.

Development of Housing Programme

34. It will not be possible to overtake for some time the accumulated disrepair and dilapidation. As the measures contemplated in this paper will take time to develop, the work of repairing and improving existing houses and slum clearance work will have to be fitted into the present housing programme. In framing their proposals, therefore, local authorities will have to consider in the light of local circumstances how much of the labour and materials available to them should properly be devoted to new building and how much to this new work.

35. Progress will naturally depend on local conditions, but in any event, local authorities (unless in very exceptional areas) should be able to deal with the worst houses within the period of the first programme and to make substantial progress with the remedying of defects and the arresting of deterioration. In some areas it should also be possible to make an early start with slum clearance and the provision of rehousing accommodation; in others, however, where the shortage of houses is still acute, progress with slum clearance must inevitably be slower.

36. As regards new construction, it is important that, to the extent necessary in their respective districts, local authorities should continue to provide additional houses, so as to reduce the housing shortage and facilitate the rehousing of families displaced as a result of slum clearance. Her Majesty's Government are anxious, too, that as many additional houses as possible should be built by private enterprise. The advantages of relieving the Exchequer and the rates of some of the burden resulting from the housing programme are obvious. They have been concerned, therefore, to do everything possible to make it easier for private individuals in Scotland to build houses for themselves. In particular, they have progressively relaxed the restriction in private building (culminating in the recent decision to make the issue of licences automatic) and they have abolished development charges. They will take every further opportunity that offers to promote the private building of houses, not only for owner-occupation, but also for letting, and they are anxious that as many people as possible should take advantage of these opportunities.

Rents of Local Authority Houses

37. [Paragraphs still to be drafted.]
Houses belonging to Housing Associations and Development Corporations under New Towns Act

38. The housing operations of local authorities are substantially supplemented by those of the Scottish Special Housing Association, other housing associations, and the New Town Development Corporations in Scotland. For housing purposes, these bodies are in much the same position as local authorities. The houses which they build, like local authority houses, are subsidised from public funds, but unlike local authority houses, they are subject to the provisions of the Rent Restrictions Acts. It seems to Her Majesty’s Government that this difference of status should be removed, having regard to the degree of security of tenure which the families occupying these houses enjoy as the tenants of responsible public bodies, and to the desirability of enabling these bodies, like local authorities, to review the rents of their houses from time to time and to make such adjustments as may be justified by changing circumstances. Her Majesty’s Government, therefore, propose that houses belonging to the Scottish Special Housing Association, to other housing associations, and to New Town Development Corporations in Scotland should cease to be controlled.

Legislation

39. So far as the proposals in this paper involve legislation, the necessary powers will be sought in a Housing Rent and Repairs (Scotland) Bill which will shortly be submitted to Parliament.
APPENDIX

STATEMENT SHOWING THE EFFECT ON THE INCOME FROM CONTROLLED RENTS OF THE INCREASES IN REPAIR COSTS AND OWNER’S RATES

<table>
<thead>
<tr>
<th>Gross rent (controlled since 1920)</th>
<th>Repairs (Note 1)</th>
<th>Owner’s rates</th>
<th>Amount remaining available (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ s. d.</td>
<td>£ s. d.</td>
<td>£ s. d.</td>
<td>£ s. d.</td>
</tr>
<tr>
<td>Glasgow—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920 ...</td>
<td>15 0 0</td>
<td>4 4 0</td>
<td>3 3 9</td>
</tr>
<tr>
<td>1939 ...</td>
<td>15 0 0</td>
<td>3 3 0</td>
<td>4 17 6</td>
</tr>
<tr>
<td>1952 ...</td>
<td>15 0 0</td>
<td>9 9 0</td>
<td>5 16 3</td>
</tr>
<tr>
<td>Edinburgh—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920 ...</td>
<td>15 0 0</td>
<td>4 4 0</td>
<td>1 18 9</td>
</tr>
<tr>
<td>1939 ...</td>
<td>15 0 0</td>
<td>3 3 0</td>
<td>2 3 9</td>
</tr>
<tr>
<td>1952 ...</td>
<td>15 0 0</td>
<td>9 9 0</td>
<td>3 2 6</td>
</tr>
<tr>
<td>Dundee—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920 ...</td>
<td>15 0 0</td>
<td>4 4 0</td>
<td>2 8 9</td>
</tr>
<tr>
<td>1939 ...</td>
<td>15 0 0</td>
<td>3 3 0</td>
<td>3 3 9</td>
</tr>
<tr>
<td>1952 ...</td>
<td>15 0 0</td>
<td>9 9 0</td>
<td>4 16 3</td>
</tr>
<tr>
<td>Lanarkshire—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920 ...</td>
<td>15 0 0</td>
<td>4 4 0</td>
<td>4 1 3</td>
</tr>
<tr>
<td>1939 ...</td>
<td>15 0 0</td>
<td>3 3 0</td>
<td>5 18 9</td>
</tr>
<tr>
<td>1952 ...</td>
<td>15 0 0</td>
<td>9 9 0</td>
<td>6 12 6</td>
</tr>
</tbody>
</table>

(1) The amounts for repairs shown are 28 per cent. of the 1920 rent, 21 per cent. of the 1939 rent and for 1952, three times the repairs element in the 1939 rents, that is, allowance is made for the same amount of repair work as in 1939 (at 1952 prices) and for additional repairs necessary in 1952 because of the ageing of the house.

(2) This column shows the net sum available on the assumption that the owner now carries repairs on the scale contemplated by the 1920 increase. From this sum the owner’s other expenses—management, insurance, ground burdens, &c.—have normally to be met.