Critical Dialogues of Urban Governance, Development and Activism
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Introduction

Since 2010 the local state in England has been both the subject and agent of a Conservative-led project of post-crisis austerity. More than simply the unfortunate administrators of fiscal retrenchment bearing the disproportionate burden of a zealous attempt to ‘pay down the national deficit’, local authorities have been at the vanguard of ‘the most far-reaching and precipitate attempt to achieve fundamental restructuring in an established welfare state … in recent years’ (Taylor-Gooby 2012, 61). On the one hand, they are managing unprecedented budget cuts and reducing the scale and scope of local public services. On the other hand, they continue to ‘modernise’ the local state, further opening up services and assets to private interests, while also catalysing and speculating on urban development to ensure their fiscal futures. In short, a distinctly English version of ‘austerity urbanism’ – a process pioneered across US and Canadian cities (Peck 2012) – is being constituted by and between the central and local state, producing new powers and liabilities; strategic dilemmas and existential exigencies; policy innovations, experiments and failures; as well as cause for contestation and politicisation (Penny 2017).

Meanwhile, the local state in London is also at the epicentre of ‘an acute, pervasive and socially explosive housing crisis’ (Beswick et al. 2016, 321). Here too, the role of the local state is an ambiguous one: London’s boroughs are both subject, caught in the crossfire of central government policy and real estate interests, and agent, actively aligning themselves to, and so helping reproduce, a status quo predicated on ever rising land values. A key driver behind London’s housing crisis today, the privatisation and de-municipalisation of council housing, was at once an attempt to develop a ‘property-owning democracy’ and a means to fundamentally
undermine the power of the local state. Indeed, since the 1990s, with grant funding to build council housing limited and existing stock dwindling, London’s boroughs have been relegated to playing an enabling planning role as part of what Samuel Stein (2019), referencing North American cities such as New York City and Toronto, has termed the ‘real-estate state’. Rather than directly delivering council housing, London’s boroughs enable private real estate development and then, through planning gain, try to eke out a ‘commercially viable’ portion of so-called affordable housing, which can be up to 80 per cent of market rents (rents inflated by those very same developments). Yet while their room for manoeuvre in this context is undoubtedly more constrained than in previous times, most London boroughs have actively aligned themselves with real estate interests and their inflationary and exclusionary logic of land value uplift and extraction. Even before developers were able to purchase exclusive access to planning officers, many boroughs were reluctant to use the regulatory powers at their disposal to challenge questionable viability appraisals. Others have enthusiastically entered into public–private partnerships to redevelop public land and housing estates, purposefully inflating land and property values at the expense of low-income residents in a process that will be only too familiar to those who lived in Regent Park, Toronto.

As these crises converge, London’s boroughs are being transformed and are transforming themselves in profound and potentially path-changing ways. In pursuit of long-term revenues to fulfil their managerial role of meeting social housing and care needs in a zero-grant environment, they are emerging as key entrepreneurial actors in the financialisation of public land and housing. Significantly, in reconfiguring the use, management and ownership of public land and housing, turning the latter from ‘machines for living’ into what a resident on one London housing estate called ‘machines for revenue generation’, many councils are eschewing simple fire-sale privatisations of their assets. Instead, hoping to directly capture rising land values, they are drawing on the repertoires and operational models of property developers, and in some cases entangling themselves in new relationships with finance capital, to produce market, affordable and social housing themselves in distinctly novel ways. As evidence of this, council-owned local housing companies, constituted as special purpose vehicles, are being set up across London, enabling councils to build housing by circumventing fiscal and regulatory constraints, treating land and property in increasingly speculative ways as a financial asset and, in some cases, engaging financial actors through innovative financing models (Beswick and Penny 2018).

For many, these local housing companies represent a ‘renaissance’ (Hackett 2017) in local state housebuilding, a creative fix for the housing crisis and a vehicle for publicly directed civic improvement (Morphet and Clifford 2017; Kollewe 2017; Wainwright 2017). More broadly, they have also been posited (see Christophers 2019) as a revival of a pragmatic and progressive municipal interventionism in the face of what, to all intents and purposes, looked inevitably like the ‘strange death of municipal England’ (Crewe 2016). This optimism is far from groundless.
Local housing companies propose to deliver a mix of market, affordable and social housing, meeting diverse housing needs; they enable boroughs to both circumvent borrowing caps, opening up much-needed fiscal capacity, and bypass right-to-buy legislation, which has seen a relentless haemorrhaging of public housing for almost 40 years; and, of course, they promise fiscal returns which can be spent on any number of financially stretched local services – such as social care, community centres, libraries, parks and the like.

Yet for all their possibilities and promise, the emergence of local housing companies has not gone uncontested. Since 2015, facing the prospect of estate demolition, a growing number of campaigns have brought people together – in people’s homes and community centres, as well as in town halls, the courts and streets – to scrutinise and fight against these companies and what, despite the assurances of local councillors and officers, some fear they portend: rising rents and living costs; a loss of democratic accountability; housing precarity, alienation and displacement; as well as new rounds of accumulation by dispossession (see Sendra and Fitzpatrick, Chapter 18).

Building on the above counter-narrative, in this chapter I critically engage with the development of local housing companies and their implications for collective urban provisioning, policy and politics. I do this in three steps. First, taking a conjunctural urban political economy approach, I situate the emergence of local housing companies in the ‘causal and constitutive’ (Pike et al. 2019, 24) context of shifting central–local relations, devolved austerity and a convergence of crises unfolding on the terrain of the local state, arguing that London’s boroughs are inflating and harnessing already overheated land, property and private-rental markets in order to produce a more managed austerity urbanism. Second, I interrogate in more detail how London boroughs are setting up local housing companies, focusing on their mixed and mutating managerial, entrepreneurial and financialised rationalities, strategies and logics (Pike et al. 2019). In this section, I suggest that these companies are being designed as flexible governance spaces to circumvent a set of constraining rules and regulations. Finally, in the third and concluding section, I evaluate whether local housing companies represent a creative, pragmatic and ultimately progressive fix or rather a ‘farewell to welfare approach’ (Chatterjee 2014) with long-term consequences for council housing, low-income renters and local government in London and England more broadly.

The urban political economy of local state restructuring in London under austerity

In 2013, three years into his premiership, David Cameron felt confident enough to state in no uncertain terms what had been clear to many from the outset: that austerity, far from being a short-term remedy to a financial-turned-fiscal crisis, was intended as a strategically selective project of state restructuring. Speaking
on the occasion of the Lord Mayor’s Banquet Speech at the Guildhall in the heart of the City of London, Cameron (2013) informed an audience of political, financial and business elites that ‘we are sticking to the task. But that doesn’t just mean making difficult decisions on public spending. It also means something more profound. It means building a leaner, more efficient state. We need to do more with less. Not just now, but permanently.’ In step with the North American experience of ‘downloaded’ austerity, the burden of responsibility for realising this ‘permanently leaner state’ has fallen decidedly on the shoulders of the local state. Local councils have been compelled to manage swingeing budget cuts at a time of rising need for social housing and care services; and they have been summoned anew as a site for ‘catalysing latent potentialities for economic growth’ (Ward et al. 2015, 443), encouraged to tie their fiscal prospects, and the future of local public services, to real estate interests, markets and values.

The most remarked-upon dimension of local government austerity is the deep and cumulative budget cuts that it has experienced annually since 2010, and which it will continue to be subject to until at least 2020. Set within the narrative of public sector profligacy and guided by the political decision to address the perceived public deficit crisis overwhelmingly through public expenditure reductions (Innes and Tetlow 2015), between 2010 and 2016 the Department for Communities and Local Government (DCLG) saw its budget reduced by over 50 per cent in real terms, far greater than in any other government department (Gray and Barford 2018). In a context of highly unequal central–local relations, in which the vast majority – over 80 per cent in some areas – of local state spending is funded nationally through DCLG, this reduction is significant. To put these figures into historical context, the cuts up to 2015 alone were estimated to be three times the level of those experienced during the previous notable round of austerity in English local government between 1978 and 1985 (Newman 2014).

Geographically these cuts have been distributed and experienced unevenly. Undermining long-standing commitments to territorial resource redistribution and equalisation that compensated, albeit insufficiently, for decades of a spatially selective ‘finance-dominated accumulation regime’ (Jessop 2014) favouring the South East and London (Massey 2007), the Coalition government’s cuts purposefully severed the link between funding and social need, with predictably regressive consequences. The most deprived areas in England, where social need for housing and care is highest, have seen the deepest reductions in funding. Boroughs in inner London have been especially hard hit. Expressed in real terms, London Councils estimates that between 2010/11 and 2015/16 local government in London saw a 44 per cent reduction in core funding, the equivalent of some £2.6 billion. A further £1 billion has since been cut, representing a 60 per cent real-terms reduction from 2010/11 (London Councils 2014).

Further cuts since 2010 have come in the form of reductions in capital funds, which have fallen by 45 per cent (Hastings et al. 2017). This has had a marked effect on social housing in particular. Between 2011 and 2015, radical cuts and
reforms were enacted such that central government investment in social housing was terminated in favour of a new ‘Affordable Homes Programme’, where rents can be set at up to 80 per cent of market rates (Adam et al. 2015). While upwards of £8 billion of public money was funnelled into Help to Buy, supporting middle-class homeownership and inflating house prices, investment in this so-called Affordable Housing Programme was reduced from £9.3 billion (the amount spent between 2008 and 2010 on social housing) to £4.7 billion (Adam et al. 2015). Unsurprisingly, the stock of social housing in England has fallen precipitously since 2010, which has contributed, along with a suite of punitive welfare ‘reforms’, to rising levels of housing insecurity, homelessness and rough sleeping.

Early evidence suggests that some of these austerity measures were, to a limited extent, absorbed by local councils through back-office efficiencies – or significant reductions to council work forces, affecting women and racialised minorities first and foremost – and then, with increasing severity over time, cuts to service budgets and triaging. Yet councils adopting this incremental approach are fast running out of road. Most now face the choice between going over a financial cliff-edge and fundamentally transforming how they operate (Meegan et al. 2014; Hastings et al. 2017). As early as 2013 the Public Accounts Committee (2013, 3) warned that ‘if [current financial] trends continue there is a risk that the worst-affected councils will be unable to meet their statutory obligations, and that serious questions will arise about the viability of some councils’. Five years on, in February 2018, Northamptonshire County Council went as close to declaring bankruptcy as legally possible, and the National Audit Office warns others will surely follow.

In London the need for fundamental transformation has been articulated in local council policy discourse with growing urgency since 2015. Grant funding is rapidly declining as a crisis of social reproduction is developing, with demand for social housing and for social care services acute. Indeed, growth in demand for the latter alone looks set to fundamentally reorient what and who the local state is for. A social care funding gap of £285 million is expected to open up by 2020. Even as access to statutory social services is being reduced via triage, leaving thousands without adequate support, funding for universal discretionary services, such as community centres, libraries and parks, is waning, with long-term consequences for the broader legitimacy of the local state as an institution (Penny 2017).

In the absence of grant support from central government, which is set to be fully cut by 2020, the (not always clear or coherent) plan for how councils will get by and avoid the cliff-edge has entailed a selective set of risk-shifting policies that localise fundraising responsibilities and draw the local state closer to real estate developers. From the outset, any appetite that local politicians may have had for an anti-austerity municipal socialism, funded through increased local council taxes, was headed off. Taking the line that ‘the public aren’t going to tolerate … higher council taxes’ (Pickles 2013), the Coalition government imposed new rules mandating a local referendum to approve any council tax increases above 1.99 per cent. By trusting in people’s tax-averse tendencies, under the auspices of localism, the
Coalition government successfully ‘locked in’ a low council tax regime. Furthermore, councils already unable to borrow to pay for revenue expenditure were also blocked from borrowing money to directly build council housing through artificially low borrowing caps placed on their Housing Revenue Accounts (HRA; see below).

Instead, notwithstanding vague appeals to ‘do more for less’ by encouraging greater voluntary participation in public services at the expense of paid professional employees, local councils have been compelled to take responsibility for their fiscal futures by becoming more entrepreneurial, developer-friendly and speculative in orientation. Since 2010, local councils have been given a ‘General Power of Competence’ by central government under the 2011 Localism Act, empowering them to set up new trading companies and generate profits; incentivised to promote residential real estate developments that increase their council tax base through the New Homes Bonus scheme; and encouraged to catalyse local growth through commercial real estate development by allowing them to retain ‘a proportion of the growth in their business rate revenue’ (Sandford 2016, 639) from new floor space (Muldoon-Smith and Greenlaugh 2015).

As austerity deepens, the ability of the local state to fund and provide collectively consumed services is being predicated on the capacity of local actors to ‘unlock’ the potential of their assets. Significantly this includes exhortations to ‘rationalise’ the public estate through one-off asset sales (Besussi 2016), but it also entails inflating property and land values in order to extract a share of the surplus from the realisation of such values either indirectly through permissive pro-development strategies, planning gain mechanisms and bonuses, or directly through the creation of local asset-backed vehicles capable of generating new forms of long-term ‘fiscal rent’ (Haila 2016). While the goals of building houses, attracting inward investment and delivering economic growth are far from new in local government in England, the extent to which these activities have become central to the ability of a local authority to maintain organisational capacity, fund local services and meet its stated public policy objectives arguably is. With redistribution from the centre coming to an end, and as ‘cities can no longer rely on economic growth in the nation as a source of finance’ (Leitner 1990, 154), the realisation of locally derived revenue is becoming the primary source of income, such that an entrepreneurial outlook and orientation towards development will cease to be an important supplementary function to the managerial delivery of services (Hall and Hubbard 1996), but rather will be the principal means through which services are to be resourced and austerity urbanism managed.

**Thinking outside the HRA box**

In response to the shifting urban political economy of local state restructuring and increasingly acute crises of housing and social care, London boroughs have been actively devising entrepreneurial solutions to generate long-term revenues from their local asset bases. One such solution, which has generated
significant buzz in recent years as a possible return to municipal interventionism, is the council-owned local housing company. Constituted as special purpose corporate entities, local housing companies are designed to enable boroughs to act speculatively as real estate developers, building housing on public land for market sale and rent while also cross-subsidising ‘affordable’ homes in line with planning requirements. In this section I will explore the rationalities, strategies and logics that animate these companies, arguing that they are being set up as flexible governance spaces, enabling councils to circumvent fiscal/regulatory constraints, treat land in speculative ways as a financial asset and engage financial actors through innovative financing models. Far from representing short-lived idiosyncratic innovations, the proliferation of these vehicles (21 London boroughs now have them) portends a new mode of austerity-induced urban governance – a ‘financialized municipal entrepreneurialism’, as a colleague and I have termed it (Beswick and Penny 2018), with under-explored implications and risks.

Council-owned local housing companies are corporate entities limited by shares that are constituted outside a local authority’s General Fund (the account from which the majority of local public services are funded) and the HRA (a ring-fenced account for the governance and maintenance of existing, and provision of new, council housing). The existence of trading companies is not new in the recent history of English local government. Section 93 of the 2003 Local Government Act, for example, allows local authorities to trade existing services to generate profits. Local housing companies, however, go beyond this by enabling a borough to acquire, build and manage real estate for market sale and rent, including outside their own territorial boundaries, and so engage in commercial activities that would until recently have been ultra vires. This was made possible in 2011 through the Localism Act’s ‘General Power of Competence’, which allows a local authority to undertake any activity that an individual or corporation can unless specifically prohibited by central government legislation.

Across the different London boroughs that have set up a council-owned local housing company, a consistent set of guiding rationales is articulated. These can be summarised as follows. Firstly, councillors and officers emphasise a shared desire to build more homes, especially on council-owned land. Here the private sector is criticised for slow build-out rates and land banking practices, while the broader developer-led planning gain approach to securing affordable housing is seen as failing. Secondly, the importance of generating a financial return is stressed. The developer-led planning gain approach typically sees profits of 15–20 per cent written into, and so all but guaranteed by, developer viability appraisals. Council-owned housing companies are justified, in part, on the basis that these profits can and should be captured directly by the local state to reinvest in ‘affordable’ housing or borough General Funds to reduce the impact of fiscal retrenchment and promote financial self-sufficiency. Thirdly, and relatedly, the importance of public control, managerialism and intervention is asserted in response to market
failures in housing affordability, private rental quality (which is notoriously poor in London), place-making and design and, in some outer London boroughs, disinvestment. Thus, local housing companies promise a pragmatically progressive pathway beyond the facilitative and minimal mode of neoliberal entrepreneurial housing governance that has been ascendant since the 1990s.

Yet local housing companies do ‘not signal a simple return to, or revalorization of, the public-sector ethos or modus operandi’ (Beswick and Penny 2018, 625). While the council-owned status of these companies is emphasised as a virtue, their operating strategies and logics ape those of the private and financial sector, suggesting a mixing and mutation of managerial with entrepreneurial and financialised modes of governance. A key feature of council-owned housing companies is that they sit outside the HRA, the account that legally governs conventional council housing. As such, these companies circumvent a number of fiscal and regulatory constraints associated with the HRA, opening up a smooth governance space in which boroughs are able to act more flexibly and ‘creatively’. By developing outside the HRA, boroughs gain the ability to:

- Build homes speculatively for private sale and rent, with the possibility of cross-subsidising ‘affordable’ housing in line with planning requirements, which they cannot do within the HRA;
- Bypass tight borrowing restrictions placed by central government on the HRA, opening up a range of financing options, from the Public Works Loan Board to innovative forms of equity and debt financing, including with institutional investors;
- Avoid right-to-buy legislation, preventing the enforced subsidised sale of properties developed by council-owned companies;
- Set rent levels flexibly, outside those determined by the Treasury formula and the Secure Tenancy regime, making it easier to ‘flex’ housing units across rent/tenure or liquidate assets;
- Demolish existing council housing estates, often on high-value public land, and transfer council tenants without ballot to new developments, replacing their Secure Tenancies with less secure Assured Shorthold Tenancies (ASTs);
- Generate a long-term income stream for the General Fund to pay for local public services, which cannot be done within the ring-fenced HRA, and become more financially self-sufficient;
- Sell shares in the company to private parties, including institutional investors or hedge funds, as part of a joint venture or a takeover.

On the one hand, local housing companies are celebrated as representing an innovative – ‘out of the box’ – governance fix. They enable London boroughs to circumvent central government restrictions and move beyond a reliance on private developers and housing associations. Boroughs can directly build housing again
and pursue broader public policy objectives in a more managerial and interventionist way. According to their proponents, local housing companies may even be a way of addressing local fiscal and housing crises. On the other hand, the way in which these public objectives are being pursued suggests an ambiguous mixing and mutating of managerial, entrepreneurial and financialising modes of governance. The development of local housing companies signals the active constitution by the local state of public land and public housing estates as financial assets first and foremost. The realisation of public objectives through these companies is predicated on the financial success of speculative real estate development, the promotion of less secure forms of housing tenure for low-income Londoners and a greater exposure to long-term financial risk. As the next section explores, this dynamic brings with it a set of tensions and trade-offs with long-term implications for council housing, low-income renters and local government more broadly.

**Creative financial fix or a farewell to welfare?**

If successful on their own terms, council-owned local housing companies will increase the number of good-quality homes built in London, including at social rent levels; they will prevent the erosion of council-owned homes within these companies by withholding the ‘right to buy’; in stark contrast to London’s current landscape of amateur landlords, they will intervene in the private rental sector and may provide better-quality institutional products; they will encourage private real estate investment in areas that have suffered from disinvestment; and they will provide flexible financial returns to cash-strapped local authorities. In the best case scenario, they would represent a creative financial fix to help address the housing crisis and manage austerity urbanism.

However, even if this best case scenario unfolds – and in the context of Brexit this is far from assured – success would come at a cost. To begin with, as noted above, local housing companies treat public land and properties as financial assets first and foremost. The generation of public value, for example in the form of social housing, is not planned for on the basis of identified social need, as it was during the Keynesian Welfare State era. Instead, mirroring the neoliberal real estate state model prevalent across North American cities including Toronto, public value is predicated on commercial and financial success. This fundamentally shifts the role of local authorities; managerialism follows speculative entrepreneurialism. The importance of this shift is becoming clear in policy literature on local housing companies. While the overwhelming housing need in London is for social housing, local housing companies are not expected to deliver significant proportions of this tenure. The Smith Institute, for example, estimates that just 10 per cent of local housing company housing will be social housing. Given the fact that local housing companies rely greatly on council-owned land to develop on, councils risk exhausting their supply of a shrinking resource with developments that benefit aspiring
homeowners and middle-class renters most. Should there be a change of government policy in future years and a return to grant funding, the opportunity costs of local housing developments may become clear.

Since the commercial viability of local housing companies, and their ability to cross-subsidise more affordable homes, relies on rising land and property values, they also risk a form of state-induced gentrification as rents in general increase in nearby areas. In some disinvested boroughs of London this is an explicit policy aim, with local housing companies effectively positioned as vanguards to encourage private investment and development: ‘Effectively, we are there to take development forward, to accelerate growth and development, to both build directly and also to catalyse and assist other people in building out’ (Chief Executive of BeFirst, Barking and Dagenham). In other cases, more direct forms of state-led gentrification are in evidence. In the London Borough of Lambeth, for example, the council is planning to demolish up to six existing council estates to clear high-value land for mixed-tenure developments delivered by its local housing company. Lambeth council stresses that by closing the rent gaps on its estates through market sale and rent, more ‘at council rent’ housing can be delivered. The council also promises to rehouse all the estates’ current council housing tenants. As resident campaigners note, however, the number of additional ‘at council rent’ houses is very small and subject to change with unexpected delays, rising construction costs and falling house prices; very little support is being offered to leaseholders whose compensation will fall far short of the costs of buying a like-for-like home on the new developments; and returning council tenants will lose their Secure Tenancies and face increased rents and living costs.

The control and flexibility that the local housing company opens up for boroughs, and indeed that is central to their commercial success, comes at the expense of the security of existing council tenants and future generations of would-be council tenants. Importantly, the affordable and social homes built by these companies are not council homes, even though they are built by a company whose sole shareholder is the council. Council housing, with secure lifetime tenancies, associated rights and centrally regulated rent regimes, can only legally exist within the HRA. The affordable homes built by local housing companies represent less secure forms of non-market homes in which rents are set by the companies, including on a project-by-project basis, and short-term tenancies (ASTs) can be used to ‘flex’ a development’s tenure mix over time, either increasing or decreasing the proportion of affordable housing. This undoing of council tenants’ security is not an unexpected outcome of providing housing outside the HRA; it is institutionally expedient as a means of circumventing central government control and it is commercially necessary as a means of ensuring financial flexibility to manage long-term risks. As the outgoing leader of the Local Government Association put it: ‘I’ve spent all my life as a council leader trying to get out of the HRA … If I didn’t have an HRA I wouldn’t go anywhere near it … what’s the advantage? Just set up a private company keep all the houses privately and you can choose what level of rent
you charge on every single house, there is no way the government can interfere …’ (Inside Housing 2019).

Flexibility is an important means by which local housing companies seek to manage long-term risks. This is most clearly visible when institutional investment has been sought and where the councils in question are contractually obliged to pay fixed/indexed returns to their investors over 20-, 40- and 60-year periods. Here, flexibility becomes a means of maintaining sufficient rent envelopes to manage adverse fluctuations in interest rates as well as possible issues with voids, non-payment and other management issues. Flexibility can also be used as a means of generating more income for local authorities as and when the need arises. The disadvantages of flexibility are felt predominantly by tenants, whose security of tenure is necessarily diluted. Indeed, flexibility is predicated on providing tenants with short-term and less secure ASTs, enabling the landlord to more easily move homes across the rental spectrum from social to affordable to market rent levels. In addition to moving away from historic associations of council housing with lifetime security, this kind of flexibility is also likely to open up a variegated geography of tenant security as different councils, in negotiation with their funders, are likely to offer different kinds of AST, some with relatively long-term tenancies and others without.

Finally, local housing companies carry significant risks for local authorities and for the local state more broadly. Local housing companies, due to unfortunate timing, are being developed in a profoundly unfavourable economic context in which costs (of labour and materials) can be expected to rise and real estate values to fall. While London’s land and property markets rebounded quickly after the Global Financial Crisis of 2008, there are no guarantees they will do so again should a painful and disruptive exit from the European Union take place. Yet even if such an outcome were not to occur, and local housing companies succeeded as viable and profitable ventures, the local state as an institution would still likely suffer. Local housing companies are a pragmatic response to the shifting urban political economy of local state restructuring. They reflect the turn away from Spatial Keynesianism. But they also help to reproduce it. What is good for any one local authority may not be good for local government as an institution. Over time, due to uneven geographies of investment and land values across England, geographical variegation and ‘territorial injustice’ (Gray and Barford 2018) are likely outcomes of the approach to local funding that local housing companies sit within. The local public services that people can access will reflect not the actually existing social need, but the ability of local actors to operate as successful real estate developers and managers.

In conclusion, while local housing companies do represent at one level a creative financial fix, they also represent a vivid example of what Ipsita Chatterjee (2014) calls a ‘farewell to welfare approach’. Here, managerial welfare objectives are just about ‘kept alive through a discursive life-support system in order to become the sleeping partner for municipal entrepreneurialism’. Increasingly, Chatterjee adds,
‘welfarism lives in the level of discourse only and is replaced by entrepreneurial strategies in practice’. Time will tell if local housing companies are successful as companies and whether they are able to deliver some social housing through cross-subsidisation. Yet for low-income Londoners, any such success is likely to prove pyrrhic as local housing companies demolish existing council housing, take up land that could be used for future council housing and erode the security of tenure, low rents and democratic accountability that have made council housing a success – despite the decades-long ideological and material war waged upon it.

References


