

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HOUSING POLICY AND AFFORDABILITY COMMISSION

HELD AT 6PM ON MONDAY, 18 JANUARY 2016

**MP701, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG.**

Members Present:

Mayor John Biggs (Member)	Mayor
Councillor Rachel Blake (Member)	(Cabinet Member for Strategic Development)
Councillor Sirajul Islam (Member)	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)

Expert Panel Present:

Yvonne Arrowsmith	East Thames
Duncan Bowie	University of Westminster
Sarah Sackman	Francis Taylor Building
Dan Hopewell	Bromley By Bow Centre
Alastair Baird	Barratt Homes London

Officers Present:

Martin Ling	– (Housing Policy Manager)
Jackie Odunoye	– (Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Alison Thomas	– (Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration)
Tom Scholes-Fogg	– (Housing Commission Clerk)

1. DECLARATIONS OF PECUNIARY INTERESTS

The Chair asked Members and the Expert Panel to whether they needed to make any declarations of pecuniary interest. Mayor Biggs stated as Executive Mayor he was the sole shareholder of Tower Hamlets Homes. Councillor Islam stated he was a council housing tenant. Expert panel members stated they represented one of the following organisations: Barratt Homes, East Thames Homes, the University of Westminster, and Bromley By Bow Centre.

2. APOLOGIES

Apologies were received from Faraz Baber from London First.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting on 16 December 2015 were agreed as a true record. It was agreed that the minutes of future meetings would feature comments which were attributable to the Members of the Expert Panel.

4. WELCOME - JOHN BIGGS - EXECUTIVE MAYOR

The Mayor gave a welcome to the panel and to the general public. He stated the reason for this Commission was to address the housing crisis within the London Borough of Tower Hamlets.

5. SHORT OVERVIEW OF ISSUES RAISED IN SESSION 1 - OFFICER

Jackie Odunoye, Service Head, Strategy, Regeneration and Sustainability, gave an overview of the first meeting in December 2015. She stated that there was a high demand for housing in Tower Hamlets (TH), and the welfare reform cap of £23,000 would exclude households on full benefits from housing let at affordable rents.

Ms Odunoye added that households are being priced out in general, and right to buy was having a damaging impact. It was recognised that rent controls are unlikely to be introduced to the private sector, and there was agreement from the panel and public that truly affordable housing was urgently needed in Tower Hamlets.

6. COUNCIL PRIORITIES AND OUTPUTS FROM SESSION 2 - CLLR RACHEL BLAKE

Cllr Blake reiterated the aims of the Commission commenting that whilst Tower Hamlets remains a thriving borough with outstanding opportunities, too many people in housing need, including those in work on reasonable incomes, were being priced out. The aim of today's session would be to consider how best to address these problems with an emphasis on what the Council could do with its own assets and resources.

7. PRESENTATIONS

Alison Thomas, Acting Service Head Strategy Sustainability and Regeneration, outlined some of the challenges facing Tower Hamlets. Her [presentation can be viewed here](#).

Alison talked through a hypothetical example with theoretical data to highlight how a Tower Hamlets Council owned site could be used to develop housing. She also talked through some of the affordable rents for different types of

properties, and said 80% of properties were unaffordable to those on a median income.

The presentation demonstrated that in order to produce a unit mix on a reasonable sized site which could meet a number of different needs, cross subsidy would be required through sale of market housing.

8. COMMENTS FROM THE EXPERT PANEL

Yvonne Arrowsmith, Chief Executive of East Thames, said LBTH needed to be clear who the council was building for, what TH wanted longer term, what scale of house building was needed to meet the needs, and that within LBTH there were high and low value areas. She added that a building programme should be linked to those earning average incomes. In addition she stated the Council should be considering at what density the Council should build at in different parts of the borough and consider its policy on the use of commuted sums.

Duncan Bowie, Senior Lecturer at the University of Westminster, asked whether LBTH Council knew how much land it owns which can be used without demolishing current housing stock, what extent TH was prepared to waive maximum receipts. He went on to ask whether LBTH was looking at deferred payments re-City Hall – as when the value goes up TH will get the back, and whether TH was working with other London Boroughs (LBs). Duncan Bowie ended by saying land disposal strategy & planning has to be part of a package.

Sarah Sackman asked how much land TH has for development with other LB/institutions – how land assembly fits into it – and is there an assessment of the associated costs and whether the Council would use its CPO powers. She also asked how much of land is ready to use and develop as of now, whether TH was investigating re-development of existing stock, and regarding land evaluation, whether TH was doing it off own back or selling market values for land.

Alastair Baird, Regional Director of Barratt Homes, stated LBTH needed clarity and should look at other Government bodies. He added that due to the direction of TH – one site doesn't fit all, so the Council needed to look at what Government land holdings were in the Borough. He also suggested the Council would need to be careful as it builds its development role and that the current market conditions were a minefield and would be a steep learning curve.

Dan Hopewell, Director of Strategy at the Bromley by Bow Centre, highlighted that given the need in TH for housing, it was important to look at what other neighbouring authorities were doing. He added that some properties were under occupied in TH and that it can be more effective to encourage people to downsize as they get older and their housing needs change.

Mayor Biggs stated whilst the previous administration had delivered a considerable volume of affordable housing stock; his concern was that it was not accessible to many people on low incomes. The Mayor told the Commission that the Council needed to look at partnerships with developers, and TH are in the process of looking at buying back council properties which were previously sold.

The Mayor said another option was to look longer term, and to rehouse older people who now have different housing needs compared to previous years, particularly if people are living in properties with spare bedrooms. Mayor Biggs informed the Commission that there was some new affordable rent properties where one or two bedrooms cost more to rent than those homes with three or four bedrooms.

Cllr Sirajul Islam suggested that the Council should consider setting up its own construction company which could provide a lower cost solution to development.

9. QUESTIONS AND COMMENTS FROM THE PUBLIC

Members of the public were invited to comment on the Commission's work, and to ask Members and the Expert Panel questions.

One Member of the Public asked whether the Council could start 'thinking outside of the box', particularly around the Southern Grove site, which could provide 85 homes. In addition he raised issues around the provision of housing on the Green Grid and the potential for 'kit homes'.

Another Member of the Public asked stated landlords seemed hell-bent on maximising profit, and asked Members how they anticipated getting those landlords on board with affordable strategies.

Jenny Fisher from Tower Hamlets Tenants and Residents' Association, asked about the work Councillor Joshua Peck, Cabinet Member for Work & Economic Growth, was doing on employment, and what that would mean for housing within the Borough. She asked the Panel to work with Cllr Peck as there would be knock on consequences as getting people in work which would impact on affordability. Ms Fisher added that LBTH should explore supply and the demand.

The Council, was then asked a question by Tower Hamlets Renters, on what the Council were spending on temporary accommodation.

A further contribution from the floor highlighted the need of younger professionals suggesting that the Council consider supporting 'IPad Homes for the IPod generation'.

In response to the public questions, Members and the Panel answered as follows:

Alastair Baird began the responses by saying there was a need for viability testing based on the required work with the Council to find best solution for each area adding that refurbishing properties could cost more money than building.

Jackie Odunoye said at the moment the Housing Act still stands, and the Housing Bill is going through Parliament is not linking Affordability with housing need.

Duncan Bowie added the last London wide City Needs study had set out different scenarios for meeting housing need over 5, 10 and 20 years and that the Borough should set a realistic target within an agreed timeframe. However he was concerned that this was an understatement of need. His view was that previous administrations had made mistakes which had not addressed housing need.

The Mayor stated he did not want to house people outside of LB TH, but there would be pressure to do this. He also stated that in order to fund the new civic centre at Whitechapel some Council land and buildings would need to be sold.

Sarah Sackman said LBTH needed to be specific about what the Council wants from land and that viability would need to be tested on a site by site basis against top lying principles. Consideration would also need to be given to the Council's own capacity for development and the need to develop positive partnerships with Registered Providers as demonstrated in areas such as Elephant and Castle and Greenwich.

Additional questions were asked including, how need was measured, and what steps are being taken to future proof given the population will increase. Another Member of the Public asked about Aberfeldy village, and stated that only 25 of the 150 homes built were reasonably and affordable. Another person suggested TH granted outright planning permission on certain areas of land and that will increase prices the LBTH could get back.

10. DISCUSSION ON KEY ISSUES LED BY THE CHAIR

Members and the Expert Panel began the discussion by firstly answering some of the questions asked by the Public. Jackie Odunoye stated that with regards to temporary accommodation – much of the temporary accommodation cost comes from housing benefit. She stated the General Fund cost is around £5 Million in addition to housing benefit, and there was some London Boroughs working together on temporary accommodation cost and its own schemes.

Duncan Bowie suggested the Council give planning consent, and that will increase the desirability for partners, however there would be concern as TH needs to bring the value of land / property down not increase it. Duncan Bowie added that estate regeneration had not been looked at yet by the

Commission, and he sought clarity as to what extent the expert panel will sign off the final report.

Sarah Sackman stated it was good to see the ambition from TH and by the Council looking at maximising assets it has whether looking at what it can afford and what TH wants to do.

Alastair Baird said he agreed with Sarah's points, and the need for affordable housing was huge. He said LBTH needed to look at short and long term, as traditional ways of fixing housing won't work so there needed to be more long term thinking.

Dan Hopewell added that with limitation to Council borrowing and with other constraints, the Council should look at other innovative solutions such as self-build and social enterprises.

It was agreed generally that the Council needed to be clear about what it wanted to achieve and how it expected to achieve the aim.

11. CLOSING REMARKS

The Chair thanked Panel and public for attending and engaging on this important topic. She stated that the third meeting would focus on key issues, recommendations and regeneration. The Chair asked the Panel to start thinking of recommendations, as these would be considered towards the Housing Commission's overall recommendations in a cabinet report after March. The Chair reminded people of the deadline to submit evidence to the Housing Commission, which is 25th January 2016.

12. ANY OTHER BUSINESS

There was no other business.

13. DATE OF THE NEXT MEETING

The Chair stated the date of the next meeting would be 10 February 2016.

The meeting ended at 7.45PM

Chair,
Housing Policy and Affordability Commission