

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HOUSING POLICY AND AFFORDABILITY COMMISSION

HELD AT 6 P.M. ON WEDNESDAY, 16 DECEMBER 2015

**MP702, 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
Faraz Baber	London First
Alastair Baird	Barratt Homes London

Officers Present:

Martin Ling	– (Housing Policy Manager)
Jackie Odunoye	– (Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Alison Thomas	– (Acting Service Head Strategy Sustainability and Regeneration, Development and Renewal)
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, Bromley By Bow Centre, and London First.

2. WELCOME - JOHN BIGGS - EXECUTIVE MAYOR

Mayor Biggs informed the Commission that the aim would be to increase transparency, shape housing policy, and respond to the growing housing crisis by looking at social housing, opportunities for key workers, aspiration for home ownership, and the relationship with developers.

He added that with rising prices and benefit changes, people across the Borough are being priced out. The Mayor added that with the price of land going up, and with the demographic of the Borough changing, The LB of Tower Hamlets (LBTH) must do its bit to mitigate the crisis and help the homeless. Mayor Biggs went on to say that because of the benefit changes, many homeless people in TH were housed outside of the Borough, away from friends and family, simply because of the price of property and the growing demand.

3. INTRODUCTION TO THE COMMISSION - CLLR RACHEL BLAKE

Councillor Blake, Chair of the Housing Affordability Commission introduced herself and pointed Members of the Public to the terms of reference which were handed out. A copy of which is on the website www.towerhamlets.gov.uk/housingcommission

Cllr Blake stated the Commission would set the scene for addressing the housing crisis in TH, and aim to address all types of households and the challenges across the Borough.

4. PRESENTATIONS

Martin Ling, Housing Policy Manager, LBTH, delivered a presentation to the Commission, a copy of which is on the Commission's website. In the presentation, Mr Ling highlighted the rising population of the Borough and the projected population increase in the coming years. He stated that the increase in population will further impact the housing crisis in which Tower Hamlets is already in.

The number of social housing lettings had reduced over the years as a result of right to buy, and not being able to replenish the housing stock, and people and families not being able to find the most suitable housing to meet their needs, this has led to a high demand for social housing with people waiting for years on waiting lists.

In terms of the projected housing growth, the Commission heard that there were opportunities in Tower Hamlets that other London Boroughs would not have. It was forecast that the cumulative unit delivery would rise from 1,642 in 2015/16 to 52,984 in 2035/36 – an increase of more than 3000%.

The Commission looked at examples of housing for sale within the Borough, and were shocked to find the cheapest housing for sale seemed to be a one bedroom ex-Council flat in a high rise tower block which was for sale for £300,000. The average property in TH seemed to be around £1 Million.

Mr Ling talked the Commission through the local housing allowance and the amount awarded to residents. For a single person this amounted to £102 – with the average renting price at approximately £1,000 a month. This has led to people being priced out and in some cases being forced to move out of the Borough altogether. There were instances where families were having to share a house or flat in order to avoid being homeless.

The Commission heard that there were different definitions of affordability and TH would need to decide what affordability was and what it meant. Mr Ling added that it was clear the Government wanted to push home ownership as much as possible, however there is a reluctance for some developers due to the price of the land.

5. QUESTIONS AND COMMENTS FROM THE EXPERT PANEL

One Member of the expert panel highlighted the importance for the Commission to explain where TH is strategically with dealing the housing crisis. Another Member added he felt it important to look at affordable rents.

The Mayor said he believed that landlords did not want to deal with people who were on benefits which is causing an additional strain on the housing crisis in the Borough.

6. QUESTIONS AND COMMENTS FROM THE PUBLIC

One member of the public stated that right to buy had hardly been mentioned by the Commission and in the presentation. He added the policy was disastrous as the money generated from the right to buy sales went to central government rather than the councils which had built the housing stock in the first place. The resident stated 40% of TH residents were at the poverty level, and that housing should be as important as social services.

Another resident stated that some people who earn £30,000 a year were in shared accommodation because they could not afford to buy their own house or flat. He added that there was no control over rents and what landlords could charge people for living in their properties. The resident said it was his belief that rents on council housing should be capped.

One member of the public asked how much a mortgage would be approximately based on some of the house prices examples in the presentation delivered by Martin Ling. Mr Ling advised that it would all depend on the interest rate which is currently 0.5%, however the house prices in the presentation were taken from Zoopla the week before the Commission's meeting. He said he believed the costs would increase.

Another member of the public stated he worked in a school and had a disabled child, yet his salary would not allow him to move house or to even get a mortgage. He said those earning £20,000 or £30,000 a year had no chance of getting on the housing ladder.

7. DISCUSSION ON KEY ISSUES LED BY THE CHAIR

Members of the Panel and Expert Panel engaged in a discussion on the key areas of housing policy.

Affordability

There was agreement from the Panel and the public that truly affordable housing was needed in Tower Hamlets. Some Members stated it was important to have a local definition of what was affordable, particularly given the high numbers of families and single people living in poverty in LBTH.

One Member of the Panel said the current definition of affordable went against all previous guidance as 30% of net incomes for the lowest quartile had disappeared. The same Member said LBTH should only afford housing and housing projects which delivery affordable housing.

The Mayor added that the Commission and the Council needed to have several different categories of affordable in order to take into account those on different income brackets.

Land and Developers

One Member of the Panel believed councils and social housing organisations had to compete with private landlords and developers, who can afford to pay more money for land and then build and sell properties for high costs, when it is those who need social housing who are being left out.

One Member added that the use of land was critical and there was no point building houses if it is not meeting the need – in this case social housing in particular. A different Member informed the Commission that there were risks developers would take where LAs would not, which is why it is often developers who were purchasing land rather than LAs and social housing providers.

The Mayor stated LBTH needed to look at the land the council already owned, and to ensure private landowners' rights are also considered.

Local Authorities

One Member believed Local Authorities (LA) needed to challenge the Mayor of London when it came to house building. There was consensus that LBTH needed to be certain and clear about what it wanted and what it could realistically achieve.

Some Members believed local plans needed to be ambitious and be compatible with the London plan if they are to stand a real chance of being implemented.

The Chair advised that the target in TH was to build 4,000 homes a year.

Rents and Benefits

Some Members believed that TH was effectively subsidising rents to private landlords; however another Member said rents should be linked to what people earn.

One Member stated she believed some families in TH believed shared ownership and shared accommodation was the only option if they were to continue living in the Borough.

Skills

Most Members agreed that there is a skills shortage including builders, plumbers, bricklayers and carpenters. This was having an impact on house building across England. An Officer agreed with this point, adding that the skills shortage was pushing up building costs.

The Crisis

One Member of the Panel stated the housing crisis was as a result of the collapse of LA provided homes, and decades of failed policies by central government.

8. CLOSING REMARKS

Members of the Panel made closing remarks which included:

The importance to work with the new Mayor of London when he or she is elected in May 2016, and to have a relationship both with the Mayor and with City Hall.

The need to remember the housing crisis is affecting people and families from a variety of backgrounds and income brackets – the old and young, and working and middle classes.

9. DATE OF NEXT MEETING

The Chair stated the date of the next meetings would be 18th January 2016 and 10th February 2016.

The meeting ended at 8.00 p.m.

Chair,
Housing Policy and Affordability Commission