**LB Barnet Housing Strategy 2019-2024 consultation: Labour Group submission**

**Affordable housing**

Barnet Council says it has “ambitious” plans to build 35,000 homes over the next 15 years, but the Labour Group do not believe the Housing Strategy is ambitious enough when it comes to the affordability of housing it intends to deliver.

The Housing Strategy states that “Housing costs have risen unexpectedly fast when compared to median incomes and local housing allowance rates, creating an affordability gap which presents a real challenge for households seeking to buy or rent a home, as well as for the Council’s costs for providing temporary accommodation for homeless households.”

If you were to believe the Housing Strategy you would think the lack of affordable housing was something completely new. In fact, the affordability gap has been a challenge for households for the last 20 years – there is nothing unexpected or new about it. In that time, the Council has done very little to increase the supply of homes that are genuinely affordable.

Barnet Council’s Housing Strategy 2010-2025 set out a target to deliver 12,000 new homes between 2012-2018, 5,000 of which would be affordable (41%).

Since 2011 only 26.57% of the 10,000 new homes built in Barnet were ‘affordable’ set against a Local Plan target of 40%. Many of these so-called ‘affordable’ homes are at rents that are around 80% of market rates which is not genuinely affordable for Barnet residents on median incomes, let alone those on low incomes.

The homes being built at market rates are also not affordable to the general market. As the Housing Strategy says, the average house price in Barnet is now more than 15 times the borough median household income of £36,000; and private rents are some of the highest in outer-London.

This affordability gap is set against a backdrop where Barnet has lost around 10,000 council homes through right to buy since that policy was introduced. Another 800 council homes will also not be replaced under the regeneration of Barnet’s large council estates. We are losing council homes on the council estate regenerations, when they should have been an opportunity to increase affordable supply.

On the non-council estate regeneration schemes Barnet Council has not secured the Local Plan target of 40% affordable homes.

Of the 7,500 new homes planned at Brent Cross Cricklewood it is likely that only 15% will be affordable, with a maximum 30% if things go very well.

Of the 10,000 new homes to be built in Colindale only around 26% are so far ‘affordable’ and of the 2,240 in Mill Hill it’s only 16%.

These figures have been included by the Council in successive Housing Strategies over the last 13 years. But even though the housing crisis has worsened, the projected figures for more affordable housing have barely increased in that time.

The recent Strategic Housing Market Assessment that suggests Barnet only needs to provide 23% affordable housing going forward is clearly flawed and should be ignored. Barnet Council is struggling to find enough affordable homes in Barnet to use as temporary accommodation with the current 40% Local Plan target in place – reducing it will make things worse.

The focus on ‘Delivering more homes that people can afford’ as one of the Housing Strategy’s five main themes is a welcome change, but it is very late in the day. Barnet really needs a massive step-change in delivery and soon. Warm words recognising the problem will not change things for local people. What’s needed is action, but action is not evident in the Housing Strategy – it is just more of the same. There are virtually no additional plans for more affordable housing set out in this new Housing Strategy.

The TfL programme is a welcome addition but wouldn’t be happening if it wasn’t for a Labour Mayor.

Barnet Council’s plans for infill development on Granville Road and Upper & Lower Fosters will add just 25 affordable homes (19% of 132) and 82 affordable homes (41% of 200) respectively.

Barnet Council’s own development pipeline has plans for 500 affordable homes – but those for social rent will be at 65% of market rates, compared to a traditional social rent of between 30-50%. 65% of market rates is not genuinely affordable for families on low incomes who are the target market for this rent.

According to Barnet Council figures, 65% of market rates for a two-bedroom property in Barnet is £209.36 per week (see table below). Market rent in Barnet is £322.09 which is higher than the GLA market rent of £305.46. A social rent at 50% of Barnet’s market rate for a two-bedroom property is £161.04, which is higher than the GLA Affordable Rent (£152.73), but still more affordable than Barnet’s policy of 65%.

Barnet Homes (Open Door) is a social landlord and should be providing social rent homes at rates in line with the Mayor’s plan. So, the rent should be no more than 50% of market rates, which is a more socially just rent to ask for than 65% and is in line with the Mayor’s plan.

The high 65% social rent is the main reason Barnet Council were not able to secure more grant from the GLA – why would the Mayor invest in building new social rent homes that are not going to be affordable to those on low incomes?

The plan to adjust rent policy so that lower rents can be achieved where it is a condition of grant is welcome but doesn’t go far enough. Social rents should not be higher than 50% of market rates.

According to Barnet Council’s planning department, viability is improving. So, Barnet Council can do better on affordable housing if the political administration wanted to.

**Recommendation:** **The Local Plan target for affordable homes across development should be set at 50%. Barnet Council may not get 50% on every scheme but securing 35-50% is better than setting the target at 40% or lower and securing only 20%.**

**Recommendation: Barnet Council should be developing new council homes at a maximum rent of 50% of market rates. The 65% rent policy should be scrapped.**

**Rent Figures**

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| Beds | LBB social rent £ 30% | GLA Affordable rent £ 50% | Open Door Rent £  65% | LBB market £ 100% | LBB £ 50% | Difference LBB social and Open Door 65% | Difference for tenant if at 50% | Difference for Open door 65%-50% |
| 1 | 95.50 | 144.26 |  |  |  |  |  |  |
| 2 | 109.54 | 152.73 | 209.36 | 322.09 | 161.04 | 99.82 | 48.43 | 48.32 less |
| 3 | 125.03 | 161.22 |  |  |  |  |  |  |
| 4 | 138.04 | 169.70 |  |  |  |  |  |  |
| 5 | 156.85 | 178.18 |  |  |  |  |  |  |
| 6 | 167.11 | 186.66 |  |  |  |  |  |  |
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**Private Rented Sector**

The Housing Strategy states that “The Council is determined to see standards in the private rented sector rise, for the benefit of residents across the Borough.”

If the Council were that determined it would have introduced licensing of private landlords over four years ago when it was still possible to have a boroughwide scheme. The Labour Group proposed this in 2014, but the Conservative administration voted against it. The Government have now introduced ‘Secretary of State consent’ so that all boroughwide schemes must be signed-off by the Secretary of State.

No boroughwide schemes have been approved since then, and councils have been deterred from submitting boroughwide schemes in favour of schemes that cover a much smaller area – one or two wards for example.

Standards in the PRS are variable across Barnet, not just in selected areas, so a Selective Licensing Scheme focused only on certain areas – while a step in the right direction - will not be “for the benefit of residents across the Borough”.

The total inertia on this issue by Barnet Council’s political administration has effectively consigned many residents to live in terrible conditions if their home happens to be outside a future Selective Licensing zone.

Addressing standards across the private rented sector has been a pressing issue for some time. More and more people are renting privately as they cannot afford to buy a home; and the Council are using the private rented sector to reduce the number of families living in temporary accommodation.

We believe it is the Council’s duty to ensure standards in the private rented sector are high across the borough – not just in a handful of wards.

**Recommendation: The Labour Group call on LB Barnet to build a case for a boroughwide private landlord licensing scheme to submit to the Secretary of State for approval.**

**Other issues**

The Housing Strategy mentions social care, health and mental health, but it does not explicitly mention how it links in with Barnet Council’s other strategic policies on these issues.

Barnet’s housing strategy will have an impact on the delivery of these different policies. Investment in affordable housing, or lack of, will affect people’s life chances and a range of public services.

**Recommendation: The Housing Strategy should explicitly link to its impact on other relevant Council policies.**