

Homes Bill debate

Monday, 08 January 2001

8.4 pm Ms Oona King (Bethnal Green and Bow): The Homes Bill is one of the Government's most important pieces of legislation. Few circumstances cause more hardship than not having a decent and affordable home, and few things are more scarce in my constituency than decent and affordable homes.

Part I of the Bill introduces measures to help house buyers. The reforms are designed to make house buying faster, simpler and more transparent. Unfortunately, many of my constituents will never be able to enjoy the safeguards that the Bill offers because they are not in a position to buy or sell houses. They live in a borough that has some of the lowest income levels and the highest house prices in the country. It never ceases to amaze me, but last year a four-bedroom terraced house in Wapping went for more than £600,000. As we have heard, the average price of a house in London today is £150,000. To afford a 95 per cent. mortgage on such a property, a person would have to earn more than £47,500 a year. That is enough to make even MPs reconsider their financial position.

So ordinary people in inner cities need decent social housing. But inner cities also need decent ordinary people. After all, the high-fliers--the yuppies and the stockbrokers--will not keep the rubbish off our streets. They will not keep our hospital wards clean and our schools running or provide the administrative services for our emergency and social services. The London Housing Commission, which was established by the Mayor and is chaired by Chris Holmes of Shelter, does not mince words. It believes that

the lack of affordable housing in London has become a fundamental market failure which is undermining the region's sustainable economic development.

It is not just people on low incomes in Tower Hamlets who have to rely on good-quality affordable social housing. Anyone with an interest in London's economy must rely on the provision of good-quality social housing, as must anyone with an interest in London's public services or mixed communities. Otherwise, London and similar cities will become the preserve of the very rich and the very poor--not a pretty prospect. Nor are the prospects good for Tower Hamlets residents or, indeed, any London residents, who have to rely on the mythical good-quality affordable housing. For many, it remains a pipe dream.

Some 15,000 families in Tower Hamlets, and 190,000 households in London as a whole, are waiting for a transfer. In Tower Hamlets, 1,200 households are living in temporary accommodation. Many more--I must stress this--live in permanent accommodation. But it is permanent accommodation with damp running down the

8 Jan 2001 : Column 777 walls, windows that rattle due to draughts, insect and mice infestations and Dickensian levels of overcrowding. For those people, the Bill's proposals to tackle homelessness are the single most important item in the Queen's Speech. They are the first important steps towards turning a pipe dream into reality.

The Bill includes measures to put right one of the most appalling Tory wrongs--the provision in the Housing Act 1996 to give homeless people the right to only two years' local authority accommodation. Those restrictions on providing support for vulnerable homeless people must rate as one of the most regressive and shameful measures that the House has ever passed. In stark contrast, the Homes Bill fulfils the Labour party's manifesto commitment to restore the duty on local authorities to provide settled accommodation for people in priority need. It also extends the number of people who fall within the category of priority need. For those words to mean anything, and for those people who are homeless to receive protection, we have to build extra supply into the system. There is only one way to do that--to increase housing investment.

It was interesting that Opposition Members, and certainly the Opposition Front-Bench spokesman, appeared to suggest that there was no link between housing investment and homelessness. I try to steer clear of making party political points--anyone who reads my speeches will know that to be the truth--but I find it difficult to listen to Tories squawking about helping homeless people and then pretending that their diabolical legacy has no impact on the number of homeless people today, many of whom I see in my surgery week after week.

The Tory legacy is all around us. Under the Tory Government, housing investment was slashed--halved from £1.5 billion to £0.75 billion. The Tory Front-Bench spokesman, the hon. Member for Eastbourne (Mr. Waterson), may well avert his gaze because he knows how shameful that fact is. Social housing stock under the Tories fell from 31 per cent. of the total in 1979 to only 20 per cent. by the time we took office in 1997.

So, what have we, the Labour Government, done? We have reversed the decline. We have massively increased housing investment, as announced under the comprehensive spending review, to £2.4 billion this financial year. I am also pleased to note that the Government will be increasing the revenue support grant. However, the need is expensive, so how early might the Minister be willing to review the figure he has announced? It must be increased, and it is not acceptable to expect local authorities to fund that by increasing council tax.

I now turn to the wider funding picture. Next year, the housing investment programme and major repairs allowance for Tower Hamlets will total £38 million. That means that, in just four years, the Labour Government have increased investment in Tower Hamlets by £60 million above the Conservatives' spending plans. The Government have also provided substantial additional funding through the estate renewal challenge fund and the new deal for communities. That is excellent news, but in east London we need much more.

In the money that we are investing in social housing, we the Labour Government are a million times better than the Tories. Let us take the example of the Ocean estate in Stepney. Under this Government, it will receive £56.6 million more than it ever did under the Tories.

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Although we have done well, I must return to the salient point of British politics: to be a million times more generous than the Tories is not to be generous enough, because the Tories are as tight as they come. The other theme to which I return is the concept of generosity itself. To be generous in housing investment is to be economically prudent.

As the London Housing Commission reported last month:

there is not just a housing justification for a major increase in the rate of provision of affordable homes, but also an economic justification and a public service justification.

With that economic justification in mind, I turn to the crux of the matter which, as ever, is resources.

I am extremely concerned that proposals in the Bill should be considered realistically. If we are to expand the new duty on local authorities to help homeless people, which I welcome wholeheartedly in principle, we must face up to the fact that this will result in an increase in the number of applicants arriving on the doorstep of the homeless persons unit in Tower Hamlets. I am concerned about the practicalities. If we cannot house all those who are already homeless, how will we house the greater numbers to come?

I welcome, and have argued for, the spirit of this legislation, but I trust that Ministers will recognise that without increased assistance over and above that already announced, areas with a current housing crisis will never be able to meet the spirit of the law--still less the letter of it. We need a regional, if not national, financial response to deep-rooted housing problems that go back further than the blitz.

The London Housing Commission estimates that a further 43,000 extra homes will be needed in London over the next 10 years. That is more than double the number currently being built. As we are all critically aware, the spiralling cost of temporary accommodation is virtually bankrupting local authority housing revenue accounts. That means, as it happens, that local authorities have an incentive to prioritise homeless applicants: put simply, they go bankrupt if they do not do so. After all, it costs 10 times more to house a homeless family in bed-and-breakfast accommodation than in council housing stock.

In Tower Hamlets, where 15,000 households are waiting on the transfer list, virtually all those who are rehoused have been homeless or are decanted in order to facilitate regeneration programmes and new housing. It is right for us to rehouse homeless families in desperate need. It is right for us to have regeneration programmes that aim to improve living standards in London's poorest area. But unless there is extra help, it is wrong--in fact, it is a disgrace--if the price of doing so is to leave other desperate people in equally dire need.

Many of those people are young, have lived in Tower Hamlets all their lives and do not have a hope in hell of affording a place of their own--even if they earn twice as much as their parents ever did. They have a stark choice: to leave their community or to throw themselves on to the streets in order to be rehoused.

In conclusion, and having discarded the rest of my speech--which, the House will be glad to hear, cannot be delivered in the time allowed--I should like to bring to hon. Members' attention one example of the human misery to which I have referred. A woman who has a

8 Jan 2001 : Column 779 six-week old baby came to my surgery recently. Her one-bedroom council flat is so damp and cold that the baby turns blue every night. She spends the nights with her mother because she is scared that her child will die. She has asked me what I am going to do to ensure that her baby does not die before she gets a transfer. The woman is not homeless. I reiterate that she is not deemed to be in priority need. She is simply housed in poor accommodation that could kill her baby, and cannot afford anything better. I wish that that were hyperbole, but I have seen a doctor's letter stating that another baby--four months old--in my constituency has died as a result of housing need.

I welcome the Homes Bill, and I urge all hon. Members to support it.