

Motion – Mortgages and Rent in Harrow

To be moved by Councillor Antonio Weiss and seconded by Councillor David Perry:

Council recognises that people across our borough are struggling to make ends meet and are in urgent need of support.

- A few surveys were conducted during 2021/2022 and the data analysis suggested that ~~One~~ in five adults in the UK has less than £100 in savings.
- In 2021/22 Child Poverty Action Group asserted that ~~N~~nearly four million children in Britain live in poverty.
- Two LSOAs (Lower Layer Super Output Areas)~~Areas of~~ within Harrow are ~~the~~ most in England's most ~~deprived~~ 20% in the country, with many and some residents are living in overcrowded accommodation.
- According to the 2019 English Indices of Deprivation Index, published by the previous administration on the 26 September 2019, Harrow ranks 207 out of 317 (where 1 is the most deprived out of 317 local authorities in England) and 27 out of 33 London Boroughs (including City of London).

High inflation and borrowing rates have hit lower-income households hardest, mostly because of the sharp increases in mortgage rates and rent caused by the global Covid pandemic and the war in Ukraine.

Council notes that:-

- The Resolution Foundation estimate that about 21% of the 7.586m households with mortgages or loans (around 1.6 million households) will see their fixed-rate mortgage deal expire between Q1 2023 to Q1 2024, and are set to face an average increase in their annual mortgage bill of around £2,300 if they refix. <https://www.resolutionfoundation.org/publications/macroeconomic-policyoutlook-q2-2023/> In Harrow, that is the equivalent of 5771 households paying a combined £13,273,806.
- For a typical mortgage couple in their 30s that would translate into a fall in disposable income of around 11%.
- The Bank of England Bank Rate was 5.5% in 2008 before the global financial crisis before falling to just 0.25% in August 2016 where it held steady until ~~at~~ the beginning of February 2022, and although the Bank of England kept interest rates at 5.25% in November 2023, analysts expect more pain to come with some predicting rates will go as high as 5.75% and remaining above 5% until the summer of 2024 before starting to fall towards 3.6% in five years' time.
- Mortgage stress levels are set to hit heights not seen since Gordon Brown was Chancellor of the Exchequer~~the 1980s.~~
- Under both the Coalition and Conservative government's interest rates averaged at 1.18%, this compares with an average of 4.82% under the last Labour government (1997-2010).
- Private landlords may~~will~~ also be looking to pass this ~~increased~~ costs onto their tenants through increased rents.
- The current mechanism of 'no-fault evictions', also known as Section 21 notices, has existed since the Housing Act 1988.
- Between April 2019 and September 2023 there were 753 ~~no-~~ fault evictions in Harrow.

- 'No-fault evictions', ~~also known as Section 21 notices~~, allow landlords to order tenants to leave with a minimum of two months' warning - without having to prove that the tenant is at fault in any way.
- The figure of 753 is based on the number of no-fault eviction letters that have been followed up with a possession claim in the courts. The true scale of the problem in Harrow could be worse, as not all Section 21 notices will necessarily reach this stage.
- According to the latest Government data, in 2021 there were:-
 - 22,629 households privately renting in Harrow.
 - 9,234 properties were let at social rent.
- According to the latest Bank of England data, 43% families are struggling to pay their rent – 13,700 households in Harrow.
- ~~Due to the lack of leadership in government from successive Conservative Prime Ministers and Chancellor's, the economy has suffered from bad policy to bad decisions, thus negatively impacting mortgage payers and renters in Harrow.~~

Council resolves: -

- To use all available routes to urge central government to continue to take a ~~more~~ proactive approach in supporting Harrow residents through the ongoing cost of living crisis and high inflation, in particular: -
 - Continue the Household Support Fund for an additional year.
 - Raising the Local Housing Allowance (LHA) rates to the 30th percentile of local market rents from April 2024.
 - ~~to immediately adopt~~ Continue the measures the Chancellor has agreed with lenders in the mortgage charter which will help to ease the mortgage crisis and will help halt repossessions and evictions ~~by guaranteeing support from lenders for struggling mortgage borrowers.~~
 - ~~Mandatory mortgage flexibility and support from lenders, not voluntary.~~
 - recognise the pressures that high inflation is placing on local government finances and provide ~~fairer~~ proper funding to councils to support residents to remain living locally in Harrow; like through Discretionary Housing Payments that allow councils to support those in the greatest need.
- To continue ~~early to~~ signpost the support, networks and guidance that is available in Harrow, and promote through appropriate channels to our residents and businesses.
- ~~To ensure our local voices are heard, the Leader of the Council and Leader of the Opposition will form a delegation with all Harrow MP's and request a meeting with the Chancellor of the Exchequer. The Council must stand up for our local residents and aim for the above positive changes to alleviate the pressure on mortgage and rent payers.~~

Amendment:

Proposed by Cllr Paul Osborn

Seconded by Cllr Marilyn Ashton