

# Housing Conference 2019

Jim, Terrie, thank you so much for inviting me to be here with you today for this year's conference – at a moment of great change for our country.

Jim before I start off, I just wanted to say thank you for those incredibly powerful and stirring words. To come up here and share some of your personal experiences in the way you have done. I think is very hard. But it underlines that sense of passion you that have and I know so many of people have in seeking to ensure we make domestic violence a thing of the past.

How it does touch far too many lives, in terms of the impact on children and adults, and therefore we must be robust in our approach in challenging and seeing what more we can do.

Equally the way in which the CIH is playing its role in taking that stand which you called for. Something which I am proud to have now started in my own role as Secretary of State with the new statutory duty that we are consulting on the support being made available as part of an approach to combat and confront and really deal with these issues. Because it is about the personal and how a home should be an environment of safety and security and sadly for too many people that is not the case.

Thank you for what you have said and I know that will not be lost on so many people here today. And how we can collectively take that stand and see how we can make domestic violence a thing of the past.

I'm incredibly grateful for the way I've been able to call on your expertise of the Chartered Institute for Housing; addressing some of these shared and important challenges through a shared belief that fairer housing is the key to a fairer society.

From the exhibitor's spaces to your incredible expert speakers, I think we've seen and heard some brilliant ideas and so many creative solutions. Yes, delivered, with real passion and I think it's important we harness those ideas as we seek to deliver our goal of building 300,000 new homes a year by the mid 2020s.

To be clear, that target is not just building 300,000 new houses – it's building 300,000 quality homes. Homes that do grow a sense of place, not undermine it. Homes rooted in stronger communities. Homes we can be proud of for generations to come.

Sometimes delivering on that promise will mean we have to challenge vested interests – take pragmatic but tough action – to kick the obstacles holding us back, out of the way.

That, in many ways, is what I see in the heart of my own politics and is the essence of conservatism: conserving the best of the past, while innovating to reflect the needs of the present and the demands of the future.

And it's those values – trust, aspiration and responsibility – that I think lie at the heart of the housing challenge.

## **Trust – Housing Revenue Account (HRA) cap**

I want to start firstly with trust. First, we have to trust our local authorities to build.

Next month marks the centenary of the Addison Act. Based on a pledge of 'homes fit for heroes', it was the starting point for the first generation of social housing.

100 years later, the lifting of the HRA cap I think is a landmark moment.

It's no longer fanciful to talk about a new generation of housing – housing fit for the heroes of today: our nurses, our teachers, our social workers.

Historically, councils have been the driving force in British housebuilding. They have the land. They have the planning responsibilities. And they know what our communities need.

They also have the ambition to get building. Our councils now have the chance to show everyone what can be achieved when the money is there.

I think actually It's an exciting moment. It also shows the huge impact when we focus on the detail.

Lifting the borrowing cap: is it technical? Definitely.

It is boring? Maybe – it depends who you are!

But will it be transformational? Yes – absolutely.

## **Trust – affordable housing**

We also need to trust our housing associations to deliver. As the Prime Minister announced last September, we're providing £2 billion of long-term funding through to 2028-29 for our housing associations to do just that.

Today, I can confirm my intention is this funding will be split equally – between London and the rest of the country, reflecting high housing demand in London.

It's the first time any government has offered housing associations long-term funding certainty – with funding available until 2028-29 – giving them the confidence and flexibility they need to deliver.

The bidding round is now open to those housing associations who already have a strategic partnership with Homes England and we're also working with the GLA – and I'm looking forward to seeing our housing associations take on more ambitious projects in the decade ahead. I know that's been a real topic of conversation throughout this conference and I want to see us take this

forward and make it a reality.

## **Trust – planning and Accelerated Planning Green Paper**

Another area where we can drive real transformation is in planning.

Our refreshed planning rulebook has been a powerful tool and partly as a result, supply is at the highest level for all but one of the last 31 years – more than 222,000 at the last count.

And I'm keen to see us building on the strides we've made so far.

That's why we will publish an Accelerated Planning Green Paper...

... it will look at how greater capacity and capability within local planning authorities, stronger plan-making, better performance management and procedural improvements can accelerate the end-to end planning process for all.

Currently, only half of the annual spend of £1 billion on all local authority planning functions is covered by fee income.

The Green Paper, will invite proposals to pilot new approaches to meeting the costs of the planning service where this improves performance, including whether local authorities could recover a greater proportion of these costs.

If such reforms were then introduced, local authorities would be expected to invest the additional revenue in their planning services and demonstrate measurable improvements within their performance – not just in terms of speed but very firmly also in terms of quality.

The Green Paper will also set out how we could improve the process of granting planning permissions and thereby the service provided to homeowners and developers alike.

## **Trust – communities**

But I am very very mindful it's about more than saying: "how many"?

We have to trust our communities – to shape the places they call home and the services and facilities they need.

I'm often struck – perhaps even surprised – by how receptive people are to the need for more homes. They can see the bigger picture.

But the questions they ask are really practical:

- Will a development mean it's going to be harder to get an appointment with my GP?
- Will my road see more traffic?
- Might it be harder to get my child into our first-choice school?

I think we have to understand that people's legitimate concerns are there. It's not just about building homes, it's about building communities.

And as we increase supply, on many occasions we're building communities from scratch.

Where to do that, we must get it right. That's why I am particularly delighted to be announcing today that the government will be supporting 19 new garden villages.

These new communities stretch from County Durham in the North, to Truro in the south west. Together they have the potential to deliver 73,000 new homes.

We welcome the new homes these projects will bring, but this is about so much more than "housing units".

It's about supporting local areas that have the vision and drive to create great new places – with all the facilities, green space and transport to make a community that will thrive.

And I'm really pleased that our plans include a specially designed community that would support the needs of people with dementia, as part of a new Garden Community at St George's Barracks in Rutland.

I know too well the devastating impact dementia can have, from my own personal experience seeing my mum struggle with it. How we need to do so much more to create dementia friendly communities. Having that understanding, having that recognition. Doing all that we can to keep independence for as long as we possibly can.

It's vital our new communities are built with these kinds of challenges in mind – ensuring people can live independently and safely for as long as possible.

Because it's essential when we talk about 'infrastructure' it has a human face. It must be real, rather than theoretical. It has to relate to what people feel and experience every day in the place that they live.

But as we increase housing supply, it is vital buyers of new build homes get the quality they rightly expect.

That's why we've announced our intention for a New Homes Ombudsman.

Today we have launched our [consultation](#) on redress for purchasers of new build homes and the New Homes Ombudsman. This seeks views on the detail of the proposed legislation and how a New Homes Ombudsman can be delivered.

As we do this, we are exploring the options to appoint a New Homes Ombudsman in shadow form – someone to work closely with industry, consumer groups and government to ensure improvements and standards are delivered quickly and help shape the future scheme.

## **Aspiration – help to buy-right to buy**

But I'm mindful these aren't quick wins. But they are decisions, taken today, which will help people, tomorrow.

Because it's the duty of each generation to pass an inheritance worth preserving onto the next.

And that couldn't be truer for the issues of home and home ownership.

Simply put, young people today have a housing market more likely to hold them back than help them up – it's a market that doesn't meet their aspirations.

We have to turn that around and provide a stronger platform from which more people can achieve their aspiration of owning their own home – turning 'Generation Rent' into 'Generation Own'.

Now, we are making meaningful progress to change this:

- for the first time in more than 10 years home ownership amongst 35-44-year-olds is up; and
- since 2010 we've helped over half a million people into home ownership through government schemes such as Help to Buy and Right to Buy

We will be introducing a new Help to Buy scheme, which will run until 2023.

We will look to set new conditions on the scheme to drive up quality and standards.

This includes requiring any builder wanting to access the new scheme to adhere to quality standards and clear rights of redress as envisaged by the New Homes Ombudsman scheme we are creating.

I've also said that the new Help to Buy scheme from 2021 will not be used to support the unjustified use of leasehold.

And today I can announce that we are seeking to vary contracts with developers to ban the sale of leasehold houses, other than in exceptional circumstances, within the current Help to Buy Scheme.

## **Aspiration – innovation**

But in meeting the aspirations of the next generation we need to embrace bolder ideas.

First, on shared ownership. New models in shared equity offer a really exciting opportunity to help people build up capital.

We should be encouraging greater innovation in shared ownership, particularly from exploring the potential for a private sector model.

And second, I think we also need to look at new ideas around lenders' approach to risk.

It's a common refrain, but it's true: for many people there would be no cost difference between paying a mortgage as opposed to paying rent.

For many, a mortgage would be cheaper.

We now have more data than ever to assess someone's capacity to access debt. So how can we use it more effectively?

A track record of consistent rental, credit card, Council Tax and phone bill payments should carry far greater weighting than they currently do.

We need to be making the regulatory environment easier for lenders to assess someone's 'real' creditworthiness.

And help people meet their aspirations and empower them with greater choice.

Trust. Aspiration. These are essential values. But the final value I want to speak about today is responsibility.

We have recognised that we have a responsibility to confront unfairness in the leasehold market.

Our industry pledge to crack down on toxic leasehold deals and the inappropriate use of ground rents now has over 60 signatories, with a further 18 property developers and freeholders – including Crest Nicolson and Keepmoat Homes – now signed up.

But we are clear that a more fundamental reform is still needed.

Last year we consulted on proposals including the leasehold house ban and ground rent reduction.

The nearly 1,300 responses have given us a great understanding of how the proposals will work in practice.

We will go ahead with our original plan to reduce ground rents on future leases to a peppercorn of zero, as opposed to a cap of £10 per year.

I am pleased with the profound impact our original announcement has already had on the market...

... 11% when we announced it in 2017, but just 2% today.

Despite this progress, we will still legislate to ensure that in the future – save for the most exceptional of circumstances – all new houses will be sold on a freehold basis.

And if a consumer is incorrectly sold a leasehold house, they will be entitled to enfranchise at zero cost to obtain the freehold.

We also want to make it possible for leaseholders to challenge fees and apply to the Tribunal to appoint a new manager.

Freeholders and managing agents have also been able to charge what they want

– and take as long as they want – to provide leaseholders with the information they need to sell their home.

This slows down sales and affects property chains and has to stop.

For that reason, we will be setting a time limit of 15 working days and a maximum fee of £200 plus VAT...

... helping us to deliver on our promise to make the home buying and selling process quicker, cheaper and easier.

Because we are committed to taking bold action to reform the sector and will be pressing ahead as soon as parliamentary time allows.

Second, when it comes to renting – we have a responsibility to ensure a fairer deal for people in the private rented sector.

While we want more homeowners, we must also confront the reality that more and more of us live in the private rental sector – and will do so for longer.

I'm proud the Tenant Fees Act came into force a few weeks ago. It will save renters around £240 million a year, by banning unfair letting fees and capping tenancy deposits.

And this government has given local authorities unprecedented powers to crack down on rogue landlords and agents who let unfit properties.

Our rogue landlord database is helping local authorities keep track of the very worst offenders, and to make it a useful tool for tenants I want to open access to information on the database.

I'm keen we consider whether the scope of the database is right, and if it can deliver even more in stopping the minority of bad landlords from preventing people from living in the decent housing they deserve.

But I recognise there's more we can do – especially when it comes to mobility in the private rented sector.

Today, it's taking too long for tenants to get their first deposit back when they move home – which can leave them struggling to pull together a second deposit for their new landlord.

They risk falling into debt or finding themselves trapped in their current home – missing important opportunities...

... opportunities to take up a new job, opportunities to find a better place to live.

I want people to bring forward innovative approaches that can improve the lives of renters such as allowing tenants to directly passport their deposit between tenancies. This will mean they don't have to provide a second full deposit to move home.

The potential benefits are clear. It'll make the sector less bureaucratic, yes. But equally, it can benefit the wider economy, by making it easier for people to move for work...

I want to understand the scale of this problem, which is why I will shortly be launching a call for evidence.

Taken together with the abolition of majority of fees through the Tenant Fees Act, I think this could be a real game changer – cutting the cash hard-working renters need to provide up front.

And as the Prime Minister set out in her speech yesterday, we'll shortly be laying out the government's position to make tenancies more secure.

An important part of this is our intention to repeal section 21 of the Housing Act 1988 – bringing an end to so-called 'no-fault evictions'.

It will give tenants the security they need: being able to stay in the property until they choose to leave, or until the landlord can provide a valid and fair reason for them needing their property back.

It's something I feel very strongly about because we know that the ending of a tenancy is now the number one reason that people become homeless and potentially lead to people falling through the safety nets and sleeping out on the street.

With our resolute intent of making rough sleeping a thing of the past I've been very clear we need to look at these issues of prevention, what those pathways are, and how we act to provide interventions. Yes, recovery, yes, services.

How we prevent people becoming homeless in the first place.

## **Responsibility – safe and decent homes**

Nowhere do I feel a sense of responsibility more acutely than to the bereaved and the survivors of the Grenfell Tower fire.

Earlier this month, I joined the community to mark the second anniversary of that horrific tragedy. Doing right by them remains a guiding principle.

Everyone has a right to be safe – and feel safe – in their homes. That community was let down, and we have a responsibility to ensure it can never happen again.

We have amended the law to explicitly ban combustible materials from use in the exterior walls of new high-rise residential buildings.

But I recognise that people will only truly have peace of mind when unsafe cladding has been removed and replaced with safe materials.

We've made a total of £600 million available to pay for the remediation of ACM cladding for buildings owned by local authorities and housing



associations – and to unblock progress and ensure remediation also takes place on buildings in the private sector.

But it's obvious that – in a bigger sense – things need to change. Last month, we launched a consultation on proposals to implement the meaningful reform to our building and fire safety regulatory system following the Independent Review led by Dame Judith Hackitt.

We want the new system to have a clear focus on responsibility and accountability and give residents a stronger voice to achieve the enduring change that's needed. And indeed the culture change which lies at the heart of this.

I'm looking forward to hearing your views on this important matter. Because it's essential we get it right – not just for that remarkable community in North Kensington – but for communities across the country.

## **Conclusion**

The weeks and months ahead will undoubtedly bring some big changes – I think we can be sure of that.

A new Prime Minister, a new government, and maybe even a new Housing Secretary.

But our approach must not change.

We must continue to approach the subject with the seriousness it deserves. A seriousness I think that has been underlined by this conference. That requires a certain level of humility – to know that some of the easiest things to say are some of the hardest things to deliver.

It's why we've got to keep focusing on delivering, both the big ticket items, and ensuring we don't overlook what appears to be small – because sometimes that's what has the biggest impact.

It's an approach that works. It's an approach that we need to have with that sense of passion and commitment that I know is very much felt in this room. And whatever the future may hold, that's something I'll keep fighting for.

Thank you very much.