

# Robert Jenrick's speech to Chartered Institute of Housing (CIH) 2020

## **Introduction**

Hello there. It's a pleasure to be joining you today.

It's fair to say that 2020 is a year that few of us will forget.

Through the storms we have weathered, I think we have learned a lot – not least reminding ourselves of the absolutely central role that our homes and communities play in our health and general wellbeing.

For many, the chance to spend more time with the people they love and getting to know their neighbourhoods has been a real ray of hope in a difficult period.

But for those less fortunate – stuck in poor, cramped accommodation, with few shops or parks and open spaces nearby, struggling to pay the rent or who, worst of all, have no home of their own at all – the pandemic has unquestionably been one of the darkest periods.

They deserve better.

That's why – as we recover from the pandemic – we are absolutely determined to build back better and to deliver the homes we need with a comprehensive plan for a brighter future.

Your work – in local authorities and housing associations – is fundamental to helping us achieve these ambitions.

And I'm immensely grateful for all your efforts.

Like you, I want to see Britain emerging a stronger, better country from the pandemic. That we beat the pandemic and we move forward with confidence and optimism, learning lessons from the experience that we've been through as a country, as we have in previous times of great adversity.

That means, just as we did in those periods, like during and after the First and Second World War, it means building homes at scale and at pace, and helping more people – more of the hard-working families and prospective first-time buyers across the country – onto the housing ladder.

I know that this is, and I hope you share this, one of the defining challenges of our generation. We must act to ensure the young and future generations that will follow will have the same opportunities, the same security, the same stake in society as those who came before them.

We're making progress.

Last year we built over 241,000 homes – more new homes than at any time in the last 30 years – taking the total delivered, since 2010 to 1.5 million.

The proportion of young homeowners increased after declining for more than a decade.

But lost months this year due to the pandemic will set us back significantly. As may the economic harm to come – the scale of which we don't yet know. But the market has proven more resilient and robust than many would have predicted, helped in part by cut in stamp duty at the Budget at the beginning of summer. But there's a great deal of uncertainty and there's a lot more for us to do.

More broadly, looking to the horizon beyond the immediate challenges presented by Covid and the economic disruption that we find ourselves in today.

There's still a great deal more to do to help those trapped paying high rents who are struggling to save for a deposit to enjoy homeownership or even to enjoy the security and the dignity that comes with a secure home of their own, whether that be owned or rented.

Affordability remains a very big issue across the board.

## **Affordable Homes Programme (AHP) announcement**

That's why, earlier this week, I was delighted to announce details of the £12 billion Affordable Homes Programme.

This includes a new £11.5 billion Programme – the highest single funding commitment to affordable housing in a decade.

Now, we all know the economic outlook is uncertain and that the pandemic has caused huge disruption to your development plans, as it has more broadly.

Mindful of this, the new Programme aims to deliver up to 180,000 affordable homes over five years from 2021 to 2026 – the first from next year – right across the country.

These include homes for Social Rent, more than in the previous programme – underlining our commitment to the most vulnerable in our society.

And they include, most notably, significant extra support for home ownership at a price that people on modest incomes can actually afford.

Around half of the homes delivered will be available to own, with the rest available for discounted rent, including 10% for supported housing – to help those with physical or mental health challenges.

As part of this new approach, we're making home ownership more accessible and flexible, with the vast majority of the homes available through the new model of Shared Ownership.

Under this model, I have lowered the initial stake from 25% to 10%, and reduced the minimum staircasing requirements to 1%, or as low as £1000, which will make it easier for people to get onto and climb the housing ladder.

I have also introduced a 10-year “repair-free” period during which the shared owner will not have to pay repairs or maintenance costs.

These much-needed changes will help bridge the gap between renting and home ownership and build on the introduction of the Right to Shared Ownership – our new scheme which will give many housing association tenants the opportunity, in time, to buy a stake in their home using the new model for Shared Ownership.

So with the accompanying funding guidance having just been published by Homes England, I encourage you to read it, consider it, and start preparing your bids and above all, to think big. At times like this, we need you – we need you to get building.

Taken together, these measures will benefit families across the country, with almost £7.5 billion of the investment to be delivered outside London – over £2 billion more than under the previous Programme – but still offering the Greater London Authority and the Mayor of London £4 billion to get building in London as well.

We are doing this because we as a government were elected with a commitment to levelling up and ensuring that opportunities are available to people across the country.

## **First Homes**

For the stake in society that we want to offer to people to be meaningful, it's vital that we offer our children the ability to put down roots in the places they grew up, and that we allow people who are key workers in those communities to get on the housing ladder. If we've learned anything from the last few months, it is the absolute importance of those key workers – whether they be teachers, nurses, junior doctors, police and fire, veterans in the armed forces and others.

The simple truth is that too many will continue to get priced out of their own areas where they live and work and want to put down roots, unless we take action – and that's precisely what we're doing through what I think could be our life-changing initiative – the First Homes policy.

Under this scheme, local first-time buyers can buy homes at a discount of at least 30% in their local communities, with councils able to put key workers at the front of the queue.

The discount could save them as much as £100,000 on the price of an average newly built property in England. And where the costs of property are highest, the discounts could be as much as 50%.

Furthermore, the discount will apply to the new home forever so buyers and

the community will continue to benefit every time the property is sold for generations to come, not merely enriching one generation.

We're keen for people to benefit as soon as possible but we want to make sure that we get the details right, so we've confirmed plans to accelerate the roll out of First Homes with a 1,500 home pilot, funded by the new Affordable Homes Programme, with more details to follow very soon.

To keep up the momentum on delivery, we will set an expectation that 25% of the affordable homes delivered through developer contributions will be First Homes.

All of which adds up to more young people, more families and more key workers being able to have the opportunity to own a home of their own.

## **Modern Methods of Construction**

But whether we're aiming to help more people onto the housing ladder, people who are renting or, crucially, who are homeless or sleeping rough, we will only succeed if we build more homes.

And that's what we're setting out to do, and you play an absolutely crucial role in our plans.

As a result of the bold steps we've taken – like lifting the HRA cap and providing longer-term rent stability – there's never been a better or more important time to build at any point. When there's been an economic disruption or recession, housing and development has played a crucial role in our economic recovery, and councils and housing associations in particular have led the charge.

This central role that you could play was reinforced this week by the announcement of my colleague, Lord Agnew, that we're putting £30 million into helping councils create thousands of new homes and jobs by unlocking surplus land for development, Authorities will be able to bid for £20 million for remediation works and infrastructure through the Land Release Fund, which focuses on small sites and SME builders, with £10 million available via the One Public Estate programme to support the earliest stages of development.

I urge you to seize this, and the many other opportunities now at hand, to help your communities recover from the pandemic by delivering not just more homes, but more beautiful, more sustainable, better quality homes in all parts of the country.

Homes that are delivered more quickly, harnessing the latest technology and innovation as well. That's why we're making Modern Methods of Construction central to the delivery of the new Affordable Homes Programme, with new measures to help the providers build a pipeline of supply and boost the market.

We've set a minimum target for the use of MMC in the programme and we're going to review that target annually with a view to increasing it if market

conditions allow. We want the UK to be a leader in MMC, driving new jobs, better skills, as well as faster delivery of homes, and those homes, in turn, being better quality and more energy efficient, with all of the benefits of society and social justice that comes with that.

## **Planning reforms**

Homes that are built in the places people want to live – near jobs, near good public transport, near green spaces and beautiful spaces for people to enjoy, and other amenities.

I am confident that the landmark planning reforms that the Prime Minister and I set out at the beginning of the summer– and which the Housing Minister spoke about in more detail to you just a few days ago – will help us deliver this and – contrary to the somewhat knee-jerk reaction of some– even more affordable homes.

To that end, we're proposing to replace the current system of planning obligations and the Community Infrastructure Levy with a nationally-set value-based flat rate charge on development under the new system.

These changes will give local authorities greater powers to determine how developer contributions are used, will ensure that developers do contribute and cut out those lengthy and at times demoralising debates about viability and in the end how much developers can actually contribute.

And through the new 'Infrastructure Levy' we will raise more revenue than now by capturing a greater share of the land value uplift – an explicit decision and commitment that this government has made.

And why are we doing that? We're doing it to deliver more infrastructure and more affordable housing than ever before.

And we want to work with the sector to iron out the details, to get those 'I's dotted and 'T's crossed, so that we can make sure this actually works for you and we deliver on that commitment.

And we want to ensure as well that in doing this, in designing this simpler system, that as much, if not more, onsite affordable housing is delivered as present, because we want mixed communities – we want vibrant places where people of different incomes and different ages and different backgrounds can live together as one. That, in the end, is the definition of a community.

So, in all, issues around affordability are higher than ever on our agenda – as are those relating to safety, which has to be of paramount concern as well.

## **Building safety / Social Housing White Paper**

It is absolutely essential that people are safe and they feel safe in their homes.

And I want to thank all of you very sincerely for keeping up on the momentum on vital building safety works during these times.

Yes, works were paused at the beginning of the pandemic, but they've come back and we now need to focus very hard this Autumn on ensuring that dangerous cladding in particular is removed from the remaining buildings where it needs to be, and that workers are on site on each and every one of those buildings as quickly as possible.

We've made an extra £1 billion available, thanks to the Chancellor's support in the Budget, to make buildings safe and are introducing the biggest change to building safety in a generation through the Building Safety Bill, which is now being scrutinised by parliament and will be brought forward for debate and legislation very soon.

Residents and their voices are quite rightly at the heart of these reforms – which is also true of the Social Housing White Paper, which I am committed to taking forward this year.

We made the decision to pause it during the pandemic because we wanted it to achieve the prominence that it truly deserves, and that tenants in social housing have the opportunity to hear and understand quite how significant this paper and the new changes that it will bring forward could be for them.

This Paper will set out measures to further empower tenants and boost the supply and quality of social housing, with greater redress and better more meaningful regulation of the sector.

Everyone deserves to be treated with dignity and respect regardless of where they live, and regardless of the terms on which they live there – whether you're a homeowner, whether that's freehold or leasehold, whether you're a tenant with a housing association or local council – you deserve respect, and we want to ensure, in the limited cases where that isn't happening, that things change, and they change forever.

## **Rough sleeping**

That's why, because we're concerned to ensure that housing of a good standard is available to everyone, and that everybody is treated with dignity and respect, particularly the most vulnerable in society, through our response to Covid-19, we've focused so hard on supporting those sleeping rough and other vulnerable groups.

Thanks to a strong effort between central and local government, I'm proud that we've helped almost 15,000 vulnerable people into safer accommodation – thereby protecting hundreds, if not thousands of lives.

Any life lost is a tragedy, but the statistics that the Office of National Statistics compiled earlier this summer did show that the record of this country is the best, or amongst the best, of any country in the world for protecting the lives of those who were sleeping rough at the beginning of the pandemic.

That was a precious silver lining in the otherwise dark cloud of the pandemic. It's one that takes us significantly further towards our ambition of ending rough sleeping. For the first time in my lifetime, by and large we know where rough sleepers are, we know who they are, we know what other challenges we face, because rough sleeping is as much a crisis of mental health and addiction as it is of housing.

I'm determined to ensure that as few people as possible from that cohort return to life on the streets and, with that in mind, with the support of the Prime Minister and the Chancellor, we've secured longer-term funding for accommodation – 3,300 homes this year, many more to follow in the years ahead.

These homes, and those to come later form a £400 million next steps accommodation programme which I hope will establish a new national asset.

A set of move on accommodation specifically targeted at those who have been sleeping rough, tracked – so we can ensure that it is ensured and doesn't get whittled away by circumstance – and monitored – so we can see the progress or otherwise that we're making towards turning people's lives around and tackling rough sleeping.

This is inspired by the original work done in the early 1990s by my then predecessor George Young and by many charities that are still going strong today, to create the programme then, the Clearing House, in what I hope will be a lasting memorial to the challenges of the pandemic, helping us to support people in their hour of need for many, many, years to come. We've received applications for this and we want to work with you now to deliver those homes at pace.

We've also provided significant additional funding for rough sleeping in addition to the other schemes that we announced earlier this year and in the spending review.

We have the funding in place for this financial year, and it's very significant. The challenge now is to recapture the zeal and the vision and the collegiality that we had at the beginning of the pandemic and work together as central and local government, as housing associations, as charities and indeed anyone who cares about tackling rough sleeping, to ensure that we put in place the programmes and the homes.

And we work so that this autumn and winter we continue to protect those individuals who we did through the Everyone In programme and others who flow onto the streets as a result of the challenges we now face, and that we make this autumn and winter one in which far fewer people are sleeping rough on the streets that were last winter, and certainly more than would be had we not created this effort at the beginning of the pandemic.

And I need your help and support to do that, and you have my absolute commitment that this is something that I am determined to work with you on and achieve.

# **Environmental standards / Accessibility consultation**

As well as building more homes, I want to see us building greener, more beautiful homes that create sustainable places for which we can all be proud to hand on to the next generation.

This is, again, one of the main aims of our planning reforms, and an element of them that I am particularly committed to and home will be a legacy of this government to future generations – the creation of a planning system fit for the 21st century, genuinely centred on the principles of good design and place-making and a more harmonious relationship between the built and natural environments.

This means a “fast track for beauty”. It means mandating tree-lined streets. It means design codes created by local communities – not just at local authority level, but at neighbourhood or even street level as well. It means taking inspiration from the fantastic work of the Building Better, Building Beautiful Commission – a golden thread I think you can see throughout Planning for the Future.

The UK is the first major economy in the world to pass a net zero emissions target into law and our Future Homes Standard will help to meet this.

From 2025 all new homes will be expected to have at least 75% lower carbon emissions and be zero carbon ready without the need for expensive retrofitting – representing real action to protect our environment and tackle climate change. If we can realistically go further, faster, I will certainly champion that within government and seek to achieve it with your support and encouragement.

Furthermore, more green homes must also be more accessible homes to meet the needs of an ageing population.

That’s why I was pleased to launch a consultation this week which I would draw your attention to on raising accessibility standards for all new homes – an important step in taking the National Strategy for Disabled People forward and ensuring everyone can play a full role in the life of this country, and that homes can truly be fit for your whole life.

## **Conclusion**

Because whether you’re determined to live independently for longer or just starting out, raising a family or want to move for a better job and better opportunities, this government must be behind you – and it is.

And behind all of you, in councils and housing associations – to get Britain building and not just help realise so many individual hopes and dreams, but power our economic and social recovery as well, as beat the pandemic and move forward with renewed hope and confidence about the future.



We're on track to achieve this:

- building more homes – more affordable homes,
- getting more people onto the housing ladder,
- putting beauty, quality, the environment at the heart of a faster, simpler, more predictable planning system,
- driving jobs and growth and skills through a more diverse, more competitive housing industry, not just in the hands of big developers or volume housebuilders but in the hands of small and medium sized builders and entrepreneurs in all parts of the country
- building where affordability is most challenging, such as London and the South East, but also levelling up and renewing and regenerating our great towns and cities as well.

This is what it means to level up. That's what it means to unite our country.

And with your help, that's what we will deliver.

Thank you.