

Speech: Home Builders Federation Policy Conference 2019

As you will imagine, this is a busy time in government – I've come straight from Cabinet – and as a government we remain absolutely resolved in charting that positive course for our country, to find our way through to gain that positive sense on how we deliver on the Brexit referendum.

That does indeed mean following through on the agreement and the deal that we have in place. That's the approach that we will continue to take.

I suppose in that context it is right that we are meeting today at a time when, yes, there are challenges that are there.

And indeed, these are a critical point in terms of the nation's history, when social, economic and political issues come together. That is most definitely relevant in the context of our housing agenda too.

Many of the same forces that drove the Brexit vote – people that weren't getting, in their view, a fair chance to build a better life – are also driving concerns about lack of fairness in the housing market.

Families and young people feeling that no matter how hard they work – no matter how hard they hope – that something as basic as a decent, affordable, secure home is slipping further out of reach.

And when they're held back, we're all held back.

That's why, as the Prime Minister has made clear, building the homes our country needs is central to our ambition to build a country that works for everyone. Together, we're making meaningful progress.

- For the first time in 10 years home ownership amongst 35 – 44 year olds is up.
- And last year we built more homes than in any other year bar one of the previous 31.

This is good news and I am hugely grateful for the contribution that you have made in this.

But to be clear, this isn't simply about getting the numbers up.

It's also about delivering high quality homes that are, yes, beautiful, and stand the test of time.

That grow a sense of place and pride, and not undermine it.

That do build on the best of what's gone before, but also harness the latest innovations whilst keeping our feet firmly grounded in what communities want and need.

Because we're not simply building units.

We're building communities.

And as output increases to 300,000 new homes a year, these issues of quality and design will only become more important, not less.

Of the 222,000 net additions to the housing stock last year 195,000 were new build homes.

Now, I don't want to tell people what to build, but I do want to ensure that the next generation of homes we build are ones of which we can be proud.

And I know that there are a number of developers who are delivering on this, who are following through on this, and I think are setting that lead for the industry – but we cannot be blind to the wider challenges the industry faces.

Businesses need to make money to be viable, absolutely yes.

But the public looks at some companies' profits and bonuses and wonders how they tally with extensive snagging, unfair leases and a seeming lack of understanding of the responsibility they have towards customers who are left struggling and out of pocket.

For most people, buying a home is one of the biggest financial and emotional investments of their lives – and for that to go from being a cherished dream to becoming a nightmare of snagging problems months after moving in, and punitive costs, is simply unacceptable.

This can't continue, and I know many of you share my view.

Especially as the government remains committed to working with the sector to restore the dream of home ownership – to extending the franchise to future generations.

That's why we cut stamp duty for most first-time buyers.

And why we announced a new Help to Buy scheme which will run until 2023 – a policy that, together with schemes including Right to Buy, has helped over half a million people get their foot on the housing ladder since 2010.

The new scheme – which is targeted at first-time buyers and includes regional property price caps – will build on this success by ensuring it supports those who need it most.

And I will be considering carefully how the developers who work with us meet the standards and quality that customers expect and deserve.

As we've already announced, the new scheme will not be used to support the unjustified use of leasehold.

Indeed, I've been clear that this practice has no place in a modern housing market and I look forward to responding to the consultation we've carried out

on reforms to make the system fairer.

Because whether we're talking about banning unjustified leaseholds or improving quality and design, it's in all our interests to create a fairer, stronger, more diverse housing market that responds to what consumers and communities want.

And those consumers and communities want to see not just more homes, but better homes.

That's why we're bringing forward legislation to require developers to belong to a New Homes Ombudsman, which will protect homebuyers and champion quality of build.

We'll soon be consulting on the details of how this will work and will continue to work with you, in the interim, to raise standards and ensure that problems encountered by consumers are resolved faster and more effectively.

We'll also look to accelerate the New Homes Ombudsman's development by exploring the option to introduce it in shadow form before its formal launch.

We're also championing higher standards in design and quality through the Building Better, Building Beautiful Commission – something that was reinforced last month when we hosted a second national design conference.

This is not just the right thing to do, but crucial if we're to persuade people to back rather than block new development.

Quite simply, if we're to build more, we have to build better.

I think that provides the incentive to get things done more quickly, to see that we are able to fulfil our ambitions of development, and how that helps all of us.

Above all, we also need to ensure that we are keeping people safe – underlined by the appalling events at Grenfell Tower.

And I am hugely grateful to the growing list of building owners and developers who are coming forward to protect leaseholders from bearing the costs of remediating buildings with unsafe ACM cladding systems.

I urge others to follow suit and show the kind of leadership that has made building sites much safer for workers in recent years – the same must now happen for residents.

We're making progress, but I want to pick up the pace – and the government is looking at extra measures to achieve this.

But as well as building better – to increase supply – we also need to build faster and reduce planning delays that do hold up good development.

That's why we'll be publishing an Accelerated Planning green paper later this year – as announced at this month's Spring Statement – to look at how greater

capacity and capability within local planning authorities, better performance management and procedural improvements can accelerate the end-to-end planning process for all.

Stripping out the lost weeks and wasted money.

So with the focus and support that's on offer from government, this is very much a moment for the industry to also play its part, make changes, and show what you can do.

And these changes will span all areas – because there is no single lever we can pull to boost supply and quality.

But a strong skills base is clearly vital – and our departure from the EU provides an opportunity for us to consider afresh how we can enrich this and invest in our workforce.

In this context, I know that many of you will be thinking especially about what this means for employing temporary workers from overseas.

And I do hope – and we encourage you to do so – you contribute to the engagement the Home Office is carrying out with industry on proposals set out in the [Immigration white paper](#), supported by all government departments, to ensure that areas such as the operation of the temporary workers route and sponsorship arrangements work well and reflect the needs of this sector.

But as well as resolving these immediate issues, we must also grasp the opportunities to grow our own talent.

And that's precisely what we're doing through the education system, with the most significant reform to advanced technical education in 70 years: the T Level.

From 2020, T Levels will be a high-quality technical alternative to A Levels, rivalling some of the world's best-performing systems.

We're also championing apprenticeships through initiatives such as the [Construction Sector Deal](#) – led by my colleague Greg Clark at BEIS. This aims to work with industry to deliver 25,000 construction apprenticeships and 1,000 Construction T level placements by 2020.

Indeed, no-one is better placed than you – than the sector – to understand what skills we need to keep up the momentum on building more homes, creating skilled jobs and driving growth after Brexit.

Which is why we want the industry to take a stronger lead on this issue – to invest in your workforce and help address long-standing issues around training and productivity.

We're supporting these efforts through schemes such as the £24 million Construction Skills Fund – a partnership between the Department for Education and Construction Industry Training Board – which backs innovative and employer-led approaches to training.

We're also mindful that, as well as access to skills, access to materials is also paramount to help you continue delivering at scale and pace.

It's important to remember that 80% of our construction materials are produced in the UK.

As with skills, I think the sector has the chance to reinvigorate supply chains – particularly when it comes to making the most of what new partnerships and new approaches can offer.

Innovation has changed other industries – improved productivity, quality and choice – beyond recognition. I want to see it do the same in housing.

Indeed, I want us to be seen as a leader – not just domestically, but internationally – in terms of how we build and what we are achieving through our housing agenda.

It's why our £4.5 billion [Home Building Fund](#) is so focused on backing more diverse builders, particularly SMEs, and cutting-edge building methods – I know a focus of part of your discussion here today.

It's a fund that has proved a huge success.

Over 92% of the original £1 billion Short Term Funding has already been allocated to support SMEs, custom builders and innovators and is expected to unlock over 30,000 homes – around 5,000 more than the original target.

We're also investing £170 million from the Construction Sector Deal to spread innovation across the sector through digital technologies, new production systems and other measures to manufacture better buildings.

Initiatives such as the Accelerated Construction Programme – which involves Homes England and other partners working with local authorities to identify suitable surplus public sector land to deliver innovative housing projects at pace – also demonstrate our absolute commitment to this agenda.

And, earlier this year, we announced an agreed definition and categorisation for all modern methods of construction (MMC), with a unified quality assurance scheme, assessing these technologies, about to be launched – an important step to making sure that, as the use of MMC expands, quality does remain at the forefront.

And I think it's great to see the sector really embracing MMC – both new entrants as well as established players like L&Q, which has announced that it will use MMC in all new builds by 2025.

So, the momentum is building, and I want to see the sector really taking this drive for innovation up a gear over the coming months to blaze a trail for the high-quality, energy-efficient, manufacturing-led smart homes of the future.

These new methods of construction offer the prospect of building at pace with a leaner and high-skilled workforce – ensuring that access to labour should

no longer be the brake on production that at times it has been in the past.

So, there are good reasons for the whole sector – public and private – to make the most of these advances and secure the prize that's in our grasp: a more diverse, vibrant market that increases supply and that's also more resilient and agile in responding to changing demands.

And I can say to you that I will continue to listen. I very much appreciate the engagement that I have had with the HBF and others across the sector in listening acutely to the opportunities and, yes, the challenges as well.

And I can certainly underline that message of engagement here again today, because there is that shared ambition – that shared intent – to build the homes that our country needs.

And these changing demands – to build a country that works for everyone – rang out loud and clear through the Brexit vote.

A mission that very much includes a housing market that does work for everyone – with all of us striving, as part of the same system, to deliver on this.

Delivering over one million new homes since 2010.

Putting billions into housing and infrastructure.

Empowering Homes England, our new national housing agency, and reforming planning to drive delivery.

Paving the way for a new generation of social housing by removing the government cap on how much councils can borrow to build, with an extra £2 billion of long-term funding to help housing associations deliver.

Backing our housebuilders through the £4.5 billion Home Building Fund.

And this year, introducing a New Homes Ombudsman and consulting on a new regulatory framework for building safety as part of the work flowing from the tragedy at Grenfell Tower.

Vital work.

But I know that there is so much more that needs to be done.

That's why I welcome the chance to be here today to underline that commitment from me and from government.

To underline the support, but also the ambition that we have: I think offering a significant opportunity to ensure that all our people and places can thrive at a crucial time in our country's history.

And so my message is that yes, we need to come together. We do have those opportunities that are there. I will continue to work with you to follow-through on that ambition and intent.

Because there is that responsibility to look to the future – to look to the needs of the next generation coming through and ensure that they have the sorts of opportunities that we have benefited from as a generation.

And profoundly, that means building more homes, building the right homes: fulfilling that ambition and intent.

And I know that together, that's precisely what we can come together to seize.

Thank you very much.