

# Chartered Institute of Housing Conference 2004

## Check against delivery

### Introduction

1. It's almost exactly a year ago today that I became Housing Minister but housing has always been an issue close to my heart and that of the Labour Party. After the Second World War, Nye Bevan was, as Housing Minister, responsible for an unprecedented step change in the provision of social housing.
2. Labour Party activists of the time talked about building homes for heroes and they delivered so much - some still hark back to those days.
3. But we've moved on and as housing minister I have made delivering decent homes in sustainable communities my priority. I know the phrasing doesn't have quite the same ring as "homes for heroes" - maybe we aren't quite as good at the art of spin as some have made out! But it is important.
4. Earlier this year I met Molly O'Dea, from London, who celebrated 60 years of marriage to husband Joe, by seeing the first major improvements to their home in 50 years. This was thanks to this Government's decent homes drive.
5. When I think about what we have achieved and what still needs to be done I think of the people I have met and the places I have visited over the last year.
6. I think of the challenges of meeting their aspirations but also the joy on the faces of those who have seen the benefits of our policies.

### A clear vision

7. The Sustainable Communities Plan set out a clear vision for tackling the challenges we have to meet - a new approach to how we build and what we build.
8. An approach which brings housing, planning and regeneration together to meet the needs of communities.
9. It covers a wide agenda, but at its core are actions to provide more high quality and affordable, decent homes and to tackle housing market decline in areas of low demand and abandonment.
10. We launched the Sustainable Communities Plan just under 18 months ago. It is a long-term programme of action. But already we are beginning to see real and transformational change on the ground.
11. We have seen a reduction in the number of non-decent homes by 1 million since 1997. We have helped over 10,000 key workers to buy their own home in areas where high prices are affecting recruitment and retention.
12. 14 per cent more new homes in London and the South East were built in 2002/03 than the year before: 20 percent more in London itself. We have started over 100 major housing and regeneration projects across the Thames Gateway attracting more than £2bn of additional private investment.
13. I was also delighted that we met our target earlier this year to ensure that no homeless family with children has to live in B&B hotels for longer than six weeks except in an emergency, and I would like to congratulate authorities on that achievement.

14. So already we are making a real impact on quality of life for millions of households across the country.

## **Reforming for delivery**

15. But we need to continue to press ahead and to build on success. The truth is that continuing with the old approach just isn't an option. It failed to provide the housing we needed. It failed to put the needs of communities first. It failed to provide sustainable solutions.
16. Delivering sustainable communities requires new engagement between the public, private and voluntary sectors. The Government is putting in a vast amount of money. £22 billion over three years for the sustainable community plan is a great deal by anyone's reckoning.

## **Efficiency Agenda**

17. But it is also vital that we both lever in the maximum amount of private investment and make the best possible use of the public money that is available.
18. In other words, effective and efficient procurement is absolutely central to the delivery of the Sustainable Communities Plan. Efficiency is a key focus of the current spending review. And efficiency in social housing is very high on my own agenda.
19. All social landlords need to bring their procurement practices up to the standard of the best. Not just better procurement for much needed-new build - but also for delivering capital repairs, and improving management and maintenance services.
20. Improving efficiency will release extra resources for social landlords to reinvest in better services for tenants; to reinvest in creating sustainable communities. This is critical if we are to meet our challenging decent homes target.. Contrary to what some people are saying we are not dropping the target. Only last month the DPM congratulated a number of local authorities and RSLs for the excellent work they had done to date. We believe the target is achievable but we all have to work together.

## **Decent Homes**

21. Our decent homes programme shows that where the old approach hasn't delivered the new one will. We inherited a huge backlog of repair works totalling £19 billion.
22. The decent homes programme has challenged social landlords to look at their housing stock in a new way. And it has placed tenants firmly at the heart of decision making
23. It provides three options for delivering extra investment. Since 1997 over £8 billion of private finance has been brought in through 128 stock transfers. Thirty six arms length management organisations are up and running 20 of which now have their funding. 13 authorities are tackling decent homes through PFI. A further 27 Local Authorities have now had their Options Appraisals signed off setting out their clear plans to achieve decent homes by 2010.
24. Through these new approaches to leveraging in investment, there are one million fewer social homes below the decency standard than seven years ago. This is a tremendous achievement, and again I want to congratulate all of those who have helped to make it happen.
25. Clearly there is still more to do to meet the target of all social housing meeting the decent homes standard by 2010. The extra resources we announced in May, and the completion of option appraisals by July 2005, are maintaining the momentum. We need to stay at the forefront of change and build on this success.

26. That is why today we are publishing a new report 'Empowering communities, improving housing: Involving Black and Minority Ethnic Tenants and Communities'.
27. The report will help with the important task of securing effective BME resident involvement in stock transfers.

## **Private**

28. And it is also vital that we increase our efforts to help thousands of vulnerable households in the private sector to make their homes decent.
29. Innovative approaches are making an impact. Some local authorities are making excellent use of their new regulatory powers to develop loan and equity release packages to deliver decent homes in the private sector.
30. I want to encourage all local authorities to make greater use of their new powers to provide loan assistance to help private households improve the condition of their homes.

## **Housing Growth**

31. We've seen, through the decent homes programme, that we need a new approach. That's also true of the way in which we add to the housing stock: to deliver the homes that people need, where they are needed
32. We have doubled investment in affordable housing since 1997, and supported the creation of over 230,000 affordable homes.
33. But despite these massive increases in investment, the number of new affordable homes being built is still below the level of the mid 1990s, as a consequence of huge rises in development costs.
34. We need to take new approaches to overcome the barriers to housing supply. We have announced investment of £3.5 billion in more affordable housing over the next 2 years, and have launched our new £690 million Key Worker Living programme.
35. And yesterday English Partnerships announced the next stage in implementing their London Wide Initiative which aims to deliver 15,000 key worker homes within five years.
36. We have also identified four major growth areas in and around London in which to concentrate increased supply - we are providing significant investment in vital infrastructure, and setting up new delivery vehicles.
37. As you will be well aware, we commissioned Kate Barker to look at the barriers to housing supply. She has recommended a challenging set of reform proposals. We agree that a package of measures is needed, and will be consulting on the way forward, building on the approach set out in the Sustainable Communities Plan.
38. And we are taking forward reforms to the planning system, which is the vital underpinning of our Sustainable Communities programme - reforms that are all about improving delivery.

## **Planning**

39. You will all have your own experience with the planning system. I accept that some of you will have had problems. But let's look at some of the positives.

40. Local authorities have dramatically improved their performance in handling planning applications - the number meeting targets has doubled in the last two years. And the ODPM has met its own target of halving the time we take to deal with call-ins and recovered appeals after the inquiry has finished.
41. We have now got a Planning Act and we are driving ahead with implementation. I have announced today our programme for bringing the Act into force. September is a key month - that's when the new regional and local planning systems will come into force and when we will be making some of the changes to development control procedures.
42. We are focusing our efforts on planning policy reviews - including on planning policy guidance for housing, PPG3, where our proposed changes should help to deliver the "right place, right type, right time" housing that we need. .
43. And we are moving ahead with reforms of planning obligations, helped by our advisory group. We aim to consult on a draft new circular making changes to the current negotiated arrangements in the Autumn.
44. Our planning reform programme brings challenges but it brings real opportunities. We have put unprecedented extra resources into planning. We have an integrated programme with new legislation, new guidance, and new initiatives to improve skills and capabilities such as the planning bursaries we have introduced.
45. We now need to see housebuilders and developers raising their game to deliver the new homes our communities need. And to deliver them to high standards of quality and design using modern more sustainable methods of construction. The report of the Sustainable Building Task Group will help us achieve this.

## **Pathfinders**

46. But, clearly, the challenges differ in different areas of the country. So we have set up the market renewal pathfinders to fundamentally restructure failing housing markets.
47. We have already signed off six schemes and we will shortly be announcing funding for the Birmingham Sandwell and North Staffordshire pathfinders.
48. Transforming housing markets is not simply a mechanical exercise in re-engineering housing numbers. Our emphasis is on recreating attractive neighbourhoods - this will not be achieved through changes to the housing stock alone. That is why pathfinders are working with their partners to ensure that all the necessary services are in place to make these areas, places where people want to live.
49. We are putting in £500m, across the nine pathfinders. And successful partnerships will see this money go much further - whether that is through focussing public sector resources, or by leveraging in private sector investment in areas that need to see regeneration.

## **The Northern Way**

50. The story of the North can be one of prosperity and economic success - as it was 100 years ago when it was more prosperous than the south. That's why the Deputy Prime Minister launched the Northern Way Task Force in February.
51. The task force includes representatives from regional assemblies, cities, universities and business and is independently chaired by Sir Graham Hall. We've asked the Task Force to look at how we can use assets, infrastructure and investment from Liverpool in the West, across the Pennines to Leeds and Hull, and up (through Harrogate!) to Newcastle and Gateshead in the North East.

52. This is the chance for the northern regions themselves to set out what they think needs to be done. It's a region of 14 million people with huge potential that should be exploited in order to transform the Northern Regions into 'extra cylinders' on the UK's economic engine.

## **Conclusion.**

53. Now I have only been around as Housing Minister for a year which is 39 years less than the Housing Corporation. Congratulations to them on their 40<sup>th</sup> anniversary but I know that there are some things have been on the agenda for too many of those years.
54. With the Housing Bill we have an opportunity to address some of these. Home Information Packs and licensing of HMOs are just two examples. The recent announcements of clauses to address empty homes and tenant's deposits show this Government hasn't run out of steam yet!
55. So these are exciting times to be working in housing. I know we are here today because we care about housing. We care about homes; about the people who live in them; and about the communities they live in.
56. I can announce today the nominations are now open for the Deputy Prime Minister's Awards for Sustainable Communities. The Awards will be presented at the three day 'Delivering Sustainable Communities Summit' that the Deputy Prime Minister is opening on 31st January. At the Summit we are creating an opportunity for experts from the public, voluntary and private sector to translate our vision of sustainable communities into reality. I hope to see you again there.
57. Thank you to all of you in the audience who are working so hard already to help us deliver this vision. I am optimistic that we will succeed - not out of blind faith or ideology but because over the past year I have met so many people who tell me how you have already helped deliver better homes in better places.

Speech by Keith Hill on 17 June 2004.