

# Speech: Building the homes we deserve

Good afternoon everyone, it's great to be back here once again.

Now, as you can imagine, I talk about housing to a lot of audiences in a lot of different places.

But the NHBC lunch is the only event where I can discard my script and instead just read the inscription off the wall.

The one that promises people will "inherit a home of unfading splendour, wherein they rejoice with gladness evermore"!

That's basically the NHBC's mission statement!

Or it should be!

And it feels good speaking with an audience where you know who I am.

That's not always the case.

I was on my way home a little while back when a guy walks up to me and he says "I know you! You're that guy off the telly! You're that politician who's always going on about houses!"

So we had a little chat, and he said he was a big fan, asked for a selfie.

I was feeling pretty pleased with myself.

Not often I get that kind of praise from strangers.

And as he's walking away he gets on the iPhone to his mate and says: "Guess who I just met? Sadiq Khan!"

Anyway, thank you to Isabel for that very kind introduction, you know who I am at least! And thank you everyone for coming along today.

But above all, thank you for [adding 217,350 homes](#) to this country's housing stock last year.

It's the biggest increase in housing supply for almost a decade, and it's the highest level of building since the recession.

In fact, with the exception of the peak in the housing bubble just before the crash, it's the highest level of net additions in a generation.

And it wouldn't have happened without you, the people in this room.

The builders, the developers, the housing associations, the financiers...

There's only so much any single organisation can achieve.

But when we bring everything together, everyone together, we get 217,000 homes for 217,000 hardworking families.

Now, last year I stood here on this very spot and gave a speech that was called ["Building the Homes We Need"](#).

Well, since then you've certainly been busy doing just that.

So give yourselves a well-deserved pat on the back.

But only a quick one!

Because, let's not kid ourselves, there's still a long, long way to go.

If we're going to do more than just stand still, if we're going to make serious inroads into tackling this nation's housing crisis, we're going to have to build at least 300,000 homes a year.

It's easy to throw out numbers like that.

But, as you know, actually getting the homes built is much more challenging.

But this is a government that backs builders.

That invests in the housing and the infrastructure we need.

That delivers planning reform.

A government that's freeing up land, tearing down barriers and making sure local authorities plan for the homes that they need.

And that's not just warm words.

As you saw in [last week's Budget](#) we're putting up the cold, hard cash.

At least £44 billion over the next 5 years in capital funding, loans and guarantees.

Money to unstick build-out on thousands of small sites.

To fund estate regeneration.

To unlock strategic sites including new settlements and urban regeneration schemes.

And £8 billion of new financial guarantees to support private house building and the purpose-built private rented sector.

Alongside this we're continuing to reform the planning process.

We're intervening with councils that haven't produced a local plan.

And we're simplifying the process of dealing with protected species.

Now, I like newts as much as any other Secretary of State!

But I also like getting homes built!

So we're giving the industry the tools it needs to succeed.

And now it's up to you to take those tools and use them well.

And I do, of course, expect you to use them.

Across the country we're seeing record numbers of planning permissions granted, but the speed of build-out is still too slow.

Here in London, for example, detailed planning permission has been granted for almost 130,000 residential units that have yet to be built.

130,000.

And that's in a city with 50,000 homeless households, with people living in temporary accommodation and more than a thousand people sleeping rough every night.

I know it's a complex issue.

I know there are many reasons for the delays.

The industry, particularly the Home Builders Federation, have done a lot of fine work identifying and explaining the hurdles that are there.

As a result, for example, we're cracking down on local authorities that impose burdensome, pointless pre-commencement conditions.

Yet concerns remain.

And that's particularly true among communities that support the need for new housing, that accept the granting of planning permission, then get increasingly frustrated when months or even years pass without ground even being broken.

That's why, in the Budget, we announced an urgent review of the problem, to be led by Sir Oliver Letwin.

With an interim report due in the spring, he will look at causes of and solutions to the gap between permissions and completions.

Contrary to what some commentators have suggested, Oliver's conclusions have not been written in advance!

I know it's not as simple as the popular narrative of greedy builders sitting on vast land banks.

I also know Oliver well enough to be sure he'll approach this with a completely open mind, and will be led by evidence rather than anecdote.

Regardless of who is responsible for the gap, there will be no hiding place.

So I'd urge you all to get involved, to engage with the process, and to share your views with Oliver and the panel that will support him in the review.

All of us here today have a common ambition, to get more homes built more quickly.

And this review will help make sure that happens.

But we don't just want to see more homes.

As we've just heard from Isabel, we want to see better homes.

That's something the NHBC has been committed to for more than 80 years now.

And it's something that you've worked hard to deliver.

Over the decades, there's countless people who have been able to buy a new home safe in the knowledge that you've got their back if something goes wrong.

But while I don't for one moment doubt that everyone in this room goes about their business with the best of intentions and the utmost integrity, what I can't avoid – and what I think no one can deny – is that too many new-build homes are simply not good enough.

I see it in the media.

I see it my postbag.

I see it in Parliament, where the subject was recently debated with the Housing Minister.

Roofs that leak, front doors that don't properly close, insulation that has been promised but never fitted.

Bare wires in showers, extractor fans that blow air in rather than sucking it out, patios that flood at the first sign of rain.

Brickwork that's damaged, paintwork that's been rushed...

I even heard about one couple who arrived with all their belongings in a van only to find that the road to their off-plan home hadn't yet been built.

In another case, a whole family had to move out of their brand new home while the NHBC oversaw the repair of more than 20 major faults.

These kind of people are not alone.

Earlier this year, Shelter said that more than half of new-build owners discovered major faults after moving in.

Now of course you can argue with those figures.

You can point to customer satisfaction levels of between 80 and 90%,

something I'm often told about.

But just think about those 217,000 new homes built last year.

Even if 80% of them have no issues, that still leaves well over 40,000 families living in accommodation that they don't think is good enough.

Imagine what that's like.

You've saved hard for years, made sacrifices, put a little aside each month.

You've found a place you can afford that suits your needs.

You've secured a mortgage.

You've made an offer.

You've gone through all the rigmarole of buying and then, when you think the stress is behind you and that you can finally sit back and enjoy your new home, you start finding faults that take months and sometimes even years to remedy.

It's not just disappointing.

It's devastating.

And when the biggest, most expensive, most important purchase of your life has turned into something of a nightmare, it's little consolation to hear that other people are happy.

It's easy to see why new-build homes have developed something of a reputation.

With most purchases, modern is seen as a virtue.

People want to own the latest car, they want to own the newest phone, the most up-to-date computer.

But when YouGov spoke to people right across the nation they found that less than a third of Britons – only 29% – said they would choose living in a new home over an old one.

Worse still, barely a fifth said that new homes were built to a higher standard than older ones.

Again, you can argue with whether or not people should actually think this.

But the steady drip, drip, drip of horror stories is clearly having an effect on the public perception of your industry.

And the fact that after-sales costs for builders are steadily rising suggests that problems are becoming more widespread.

That might be down to bad design, it might be down to poor workmanship.

It could be the result of sometimes rushing to get homes completed and sold on timetable driven by profit reports.

Whatever the cause, it's clear that the current system is not working as well as it should.

Now, I'm not naïve.

You're building hundreds of thousands of complex structures, and you're doing it outside in all weathers.

Some problems are inevitable.

Initiatives like the [HBF's Home Building Skills Partnership](#) are doing much to raise standards, but mistakes will still happen.

To err is human.

What's vital is that, when things do go wrong, those responsible admit there's a problem and they get it fixed.

Right now, that doesn't always happen.

Alongside the reports of faults with new-build homes I see almost as many stories about the problems people face in getting them rectified.

There's the new estate in Rainham where residents have spent more than 2 years fighting to get faults fixed.

The man in Devon who has taken to staging protests outside the HQ of the company that built and sold him a home that's suffering from damp.

The family who moved into a new home in South Wales and found more than 300 faults.

Just last weekend I read about a couple who were stuck in limbo due to an administrative error that meant their next-door neighbours owned half of their master bedroom.

The developers blamed their lawyers, their lawyers blamed the owners' conveyancers and so on.

The one thing that everyone agreed on was that it wasn't the fault of the owners.

But that didn't make their lives any easier.

You already know that this is an issue, a real issue.

Stewart and the NHBC have recognised the need to do better, and are already following up on recommendations from the All Party Parliamentary Group, as we've just heard.

But I'm not yet convinced that the industry can go far enough within the

current framework, not least because the problems go well beyond the new-build industry.

The existing mechanisms of redress in the housing sector are confusing and they are uncoordinated.

There are 4 different redress providers that can officially deal with complaints: the Housing Ombudsman, the Property Ombudsman, Ombudsman Services: Property, and the Property Redress scheme.

Even this combination of overlapping schemes fails to provide full coverage of the potential issues that consumers might encounter.

Nor do they cover all parts of the market.

And there are also all kinds of issues and inconsistencies.

So, for example, membership of the Housing Ombudsman scheme is compulsory for all social landlords, but getting a case considered by the Ombudsman takes too long, and there are all kinds of barriers to doing so.

Sales, lettings and property managing agents have to be part of a redress scheme, but private landlords do not.

Abuse of the leasehold system is rife, yet leaseholders and tenants can find it almost impossible to get their complaints heard and acted on.

And the current system contains all manner of unjustifiable loopholes.

Just look at tenants living in properties, for example, that are owned by the National Trust.

Because their landlord is a charity, the only regulator they have recourse to is the Charity Commission.

Don't get me wrong, I think the Commission is a great body, it does some fantastic, excellent work.

But housing is a hugely specialised area, well outside its usual remit.

And that means tenants of charities like the National Trust are ill-served by the situation as it stands.

Then, of course, there's new build.

It's clear the current redress system for buyers of new properties is not working properly.

There are a confusing number of schemes in place and gaps in protection, particularly where the buyer has a problem with their home in the first 2 years.

Regulation of the property market is not something we've been ignoring.

Earlier this year I announced that we will be changing the law so that all landlords have to be covered by an ombudsman scheme...

...giving all tenants access to quick and easy dispute resolution over critical issues like repairs and maintenance.

We're also going to be consulting on reforms of the leasehold market to tackle abuses there, and launching a call for evidence on regulation of property agents.

Now I believe the time is right to go further, to look at what can be done to improve the means of securing redress right across the housing sector.

One of the options to do that is to create a new Housing Ombudsman.

A single, transparent and accountable body with a remit that covers the whole of the housing sector – including both private and social landlords and the providers of new-build homes.

Research in other sectors has shown that redress works more efficiently for consumers when there's a single ombudsman in place.

So, in the new year, we're going to consult on this and see whether it's right for the housing sector too.

Now, I've talked a lot about raising standards on the technical side.

Making sure work is done properly, making sure homes are fit for purpose, making sure there's redress when things go wrong.

But that's not the only area of housing standards where I think there's room for improvement.

There's also the standard of design.

Because one thing that singles out architecture from other artistic endeavours is that it's unavoidable.

If you don't like a piece of music, you can just turn off your radio.

If you don't like a particular painting or sculpture, you don't have to visit the gallery in which it's displayed.

But if the field across the road from your home is turned into 500 houses?

Well, like it or not, you're going to have to look at them every morning when you open the curtains.

They're not going anywhere.

That's why the appearance of new homes, the aesthetic element, is not just important to students of design.

One of the reasons people move to communities, particularly in rural areas,

is because they like the way they look.

Their unique character.

And one of the single best ways to guarantee that a community will rise up against plans for any kind of development is to try and impose row upon row of identikit red-roofed boxes.

Off-the-peg homes with no sense of setting.

Estates that, when you stand in the middle of them, could be anywhere from Cornwall to Cumbria.

To put it bluntly, ugly homes don't get planning permission.

And nor should they.

Yes, we want to build more homes more quickly.

But that doesn't have to mean ignoring the aesthetic or rejecting the local vernacular.

Quite the opposite, in fact.

If you want people to quickly accept new homes in their area, they have to be homes that local people don't mind looking at.

They have to be homes that people want to live in, and homes that people want to live next door to.

I'm not going to stand here and tell you what good architecture looks like.

That's not my job.

I'm not saying that every development should mirror Poundbury.

Nor am I saying that every new home should be fit for inclusion in the next series of Grand Designs.

Even Kevin McCloud would struggle to go round 300,000 sites each year!

All I'm saying is that engaging with the local community and giving them a greater influence over design will reap rewards for everyone, and it can work wonders in turning NIMBYs into YIMBYs!

The core of everything I'm saying today is that quality and quantity are not mutually exclusive.

We don't have to choose between building more and building better – we can do both.

Nor should we be satisfied with simply meeting minimum standards.

They're just that, the absolute minimum, the lowest level you can get away

with reaching.

They're not something to aim for, they're something to exceed.

And that applies whether we're talking about design or build quality or the way in which the industry responds when things go wrong.

Because when it comes to housing, "good enough" just isn't good enough.

Our homes are our biggest financial investment, but they're more than that.

They're the places we invest our hopes and dreams, the places we live our lives.

We uproot our families and move across cities, across counties, across the whole country to find the right home for us.

That doesn't happen in any other market, and that's why it's right that developers and builders are held to a higher standard.

There is some really great work going on out there, examples the whole industry should be proud of.

But, just as there's a long way to go until we build enough homes, so we shouldn't be patting ourselves on the back about quality of homes.

Much has been done and – thanks to organisations like the NHBC – much has been improved.

But as long as there is more to be done, as long as we can still find ways to do better, I'll be right here fighting to make that happen.

And I look forward to having you by my side to build not just more homes, but the very best homes.

Not just the homes this country needs, but the homes this country deserves.

Thank you.

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## **Press release: Clean-up takes place following heavy rainfall**

The Environment Agency has removed a large amount of debris from a County Durham dam following rain and high river flows.

Prolonged heavy rain saw river levels rise across the north east leading to Environment Agency field teams working through the night to keep the region's

rivers flowing.

Spring Gardens dam – which reduces the risk of flooding to West Auckland from the River Gaunless – prevented large amounts of debris from causing blockages further downstream.

This week the field team has been back out clearing up after the heavy rain resulted in 12 Flood Alerts being issued across the region.

Alex Murray, Field Team Leader, said:

The dam is designed to hold back flood water during high flows, and then slowly release it once the threat has passed.

While it wasn't necessary for it to operate during the heavy rain last week, it prevented debris from reaching downstream and creating blockages, which is equally important and helps reduce the risk of flooding to the town.

It resulted in a large build-up of debris so this week we've been clearing it up, along with our other flood defence assets, to ensure they are clear and in working order ready to do their job again.

Our Field Teams regularly carry out work to check and maintain our rivers right across the north east to make sure anything which is deemed a potential flood risk is removed.

Spring Gardens dam was built after West Auckland and South Church were badly affected by floods in 2000.

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Spring Gardens dam was built after West Auckland and South Church were badly affected by floods in 2000.

People are advised to [check if they live in a flood risk area and sign up for flood warnings](#) and find out how they can [prepare for a flood](#)

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## **News story: Department of Health appoints new team of non-executive directors**

Health Secretary Jeremy Hunt has appointed Kate Lampard, Dame Sue Bailey, Sir Ron Kerr, Michael Mire and Prof. Sir Mike Richards as non-executive directors to the Department of Health board.

Kate Lampard is the chair of GambleAware and works as an independent consultant advising organisations on management and service effectiveness. She is a former barrister and previously led the NHS investigations into Jimmy Savile.

Prof. Dame Sue Bailey is chair of the Children and Young People's Mental Health Coalition and Honorary Professor of Mental Health Policy at the University of Central Lancashire. She serves as Chair of the Academy of Medical Royal Colleges and was a consultant child and adolescent forensic psychiatrist.

Sir Ron Kerr served as Chief Executive of Guy's and St Thomas' NHS Foundation Trust until October 2015 and remains with the Trust as executive vice chairman. He was Chief Executive of United Bristol Healthcare NHS Trust, and Deputy Director of Financial Management for the NHS Executive.

Michael Mire is the Chair of the Land Registry and senior independent director at the Care Quality Commission. He was a senior partner at McKinsey & Company.

Gerry Murphy has served as a non-executive director and Chair of the Audit and Risk Committee at the Department of Health since 2015. He is a non-executive director at Dixons Carphone Plc.

Prof. Sir Mike Richards was previously a physician for more than 20 years. In 1999 he was appointed as the department's first National Cancer Director. He was Director for Reducing Premature Mortality on the NHS Commissioning Board (now NHS England).

Minister of State for Health, Philip Dunne said:

We are delighted to welcome our new team of non-executive directors who bring with them experience and knowledge from different spheres

to support us as leaders of the nation's health and care.

They will join Gerry Murphy who we are pleased to reappoint to his role. We will be encouraging their involvement in priority issues for the department and wider system. I look forward to working with them all and to their contributions to departmental board.

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## [Press release: Candidate selected for Ofcom Chair](#)

The Government has announced that following an open recruitment process, Lord (Terry) Burns has been chosen as their the preferred candidate for Chair of Ofcom from 1 January 2018.

The Digital, Culture, Media and Sport Select Committee will now hold a pre-appointment hearing with Lord Burns on 13 December 2017.

The Committee's conclusions will be considered carefully before deciding whether or not to proceed with the appointment.

The term of the outgoing chair, Dame Patricia Hodgson, ends on 31 December 2017.

Lord Burns is Senior Adviser to Banco Santander and a non-executive member of the Office for Budget Responsibility. He is also a member of the House of Lords Economic Affairs Select Committee and Chairman of the Lord Speaker's Committee on the Size of the House.

He was Chief Economic Advisor to the Treasury and Head of the Government Economic Service from 1980 to 1991 and Permanent Secretary to the Treasury from 1991 until 1998.

Previous appointments include Chairman of Santander UK plc, Channel 4 Television Corporation; Marks and Spencer plc, Welsh Water, the National Lottery Commission and The Royal Academy of Music.

From 2004 to 2006 he was Independent Adviser to the Secretary of State on the BBC Charter Review.

**ENDS**

### **Notes to Editors**

1. This appointment has been made in accordance with the Cabinet Office's Governance Code on Public Appointments.

2. The Chair of Ofcom is appointed by the Secretary of State. Remuneration for this role is £120,000 for up to three days a week. The term of appointments will last for four years.
  
3. In accordance with the Governance Code on Public Appointments, any significant political activity undertaken by an appointee in the last five years must be declared. This is defined as including holding office, public speaking, making a recordable donation, or candidature for election. Lord Burns has declared no such political activity.