

Speech: CPRE Annual Lecture

Introduction

Thank you Sue for those kind words of introduction.

It's been several years since a government housing or planning minister spoke at this conference.

But throughout that period the links between the CPRE and my department have remained strong – and rightly so.

We've not only listened to your input, we've taken it on board.

Any honest assessment of the [housing white paper](#) will quickly spot the marks of your influence – whether it's the protection of the green belt, our opposition to speculative development or our insistence on community involvement in planning and design.

Your Chief Executive Shaun Spiers welcomed our proposals; your Head of Planning Matt Thomson said they “showed promising signs of doing some things differently”.

Having listened to your concerns, and adopted many of your ideas, we now ask you reciprocate with positive and practical support for new homes that are built in the right places – because we know your influence can make a real difference.

I have great respect for the contribution your members have made to public life over many decades in your ceaseless campaign to protect and enhance the English countryside.

As the MP for Croydon Central I represent a community on the border between Greater London and the countryside, a frontier that was in many ways defined by Sir Patrick Abercrombie and the vision of the CPRE in the post-war years.

I understand the value of living in one of the world's greatest cities while being able to enjoy the beautiful countryside of the North Downs on my doorstep – which I know, thanks to its designation as green belt, will be protected for my children and future generations.

And although I am and always have been a Londoner, I spent my summer holidays during my formative years with my grandparents in the Sid Valley in East Devon, an area of outstanding natural beauty, and have a deep emotional connection with that landscape.

The CPRE has played such a distinguished role – and for such a long time – that you suffer from that paradox of success: many people are completely unaware of your profound impact on the English landscape because they simply take it for granted.

Of course such blissful ignorance of the CPRE would be impossible for a Planning Minister.

Napoleon Bonaparte once said that “the people to fear are not those who disagree with you, but those who disagree with you and are too cowardly to let you know”.

Well you could never accuse the CPRE of being cowards...

And that’s why we count the CPRE as a friend, because friends can occasionally disagree.

Friends can also have honest conversations and today Britain urgently needs to have an honest conversation about housing because the lack – in the widest sense of the term – of affordable homes is one of the greatest barriers to progress our country faces.

So it’s great to be here today to start that conversation, in what is my first major public engagement since the publication of our [housing white paper](#).

The new consensus on housing supply

Much has changed in British politics since 2014 when my predecessor, Nick Boles, spoke here.

We have a new Prime Minister, a new government with a new Secretary of State and, as you will have noticed, a new Housing and Planning Minister. Our country has also made the historic choice to leave the European Union and forge a new role for ourselves in the world.

But I believe something else has changed too.

A growing consensus is emerging about the need to build more homes. In 2010, 29% of people were supportive of house-building in their area and 46% were opposed. By 2016, that had switched round with 57% supportive and 24% opposed.

A few years ago, it was common for people to question the need for more house building. They’d argue that if just we brought empty properties back into use or cut immigration, there wouldn’t be a problem.

Now of course both of those things will help, but more and more people recognise that even if we do both of those things – as we will – we still need to build more homes.

The facts speak for themselves.

Since the 1970s we’ve supplied an average of 160,000 new homes each year, far below what numerous independent assessments have said we need to build.

You don’t need a degree in economics to understand what happens when supply fails to keep up with demand. Across the country the average house now costs

almost 8 times average earnings – an all-time record high.

Here in London the average home made its owner £22 an hour during the working week in 2015 – considerably more than what average Londoner was earning. Stop and think what will happen to wealth inequality in our society if we allow it to continue.

And this isn't just a London or Home Counties problem. Since 1997 the ratio of average house prices to average earnings has more than doubled in places as diverse as Boston in Lincolnshire, Lancaster and Manchester.

That may sound like great news if you already own a property, but for those who don't it means the dream of owning a home isn't just distant – it's getting further and further away.

And if you stop and consider the implication, rapidly rising house prices aren't all good news even for those who have managed to get a foot on the property ladder.

They make it harder for businesses to attract the skilled workforce they need to grow, which holds back our economy.

They mean more people who rent needing some help from housing benefit, which puts up our tax bills.

And they force families apart, compelling many of our children and grandchildren to leave the neighbourhoods in which they grew up because they can't find anywhere affordable to live.

The difficulties of getting on the housing ladder mean the proportion of people living in the private rented sector has doubled since 2000.

According to the latest English Housing Survey, 1.5 million people are sharing properties when they wanted to have a home of their own.

The average couple living in the private rented sector is now paying half their disposable income to their landlord, making it nigh on impossible to save for a deposit.

High demand couple with low supply has also created opportunities for exploitation: unfair terms in leases, unreasonable letting agents' fees and landlords letting out dangerous, overcrowded properties.

And finally an increasing number of people find themselves unable to afford any home at all.

So not only do we need to build homes to cater for our projected population growth, but also for the backlog that has built up – people in their 20s and 30s still stuck at home with their parents or sharing homes, often in overcrowded conditions.

This is a point where our honest conversation requires the right terminology.

There has long been a debate about whether the various independent assessments I referred to earlier – and the local assessments carried out by councils across the country – are measuring genuine “housing need” or what Shaun [Spiers] has called “aspirational demand”.

Where we stand, I fully accept that we cannot meet the demand of everyone who would like to live in the Cotswolds, the Peak District or the Yorkshire Dales.

But let me be clear: the problem with our housing market today is not that too many people can't find their ideal home – it's that all too many people can't find a decent home at all.

Young people living with their parents until well into their 30s.

Families living in overcrowded conditions.

And increasing numbers of people are unable to find anywhere to live and either being accepted as homeless by their local council and placed in temporary accommodation or, in the worst cases and to all our shame, ending up on the streets.

In her first speech as Prime Minister, Theresa May said the mission of her government would be to make Britain a country that works not for a privileged few, but for every one of us.

It goes without saying that a country that works for everyone is not one where some of our fellow citizens are reduced to sleeping rough on our high streets.

But nor is it one where young people are told that they have to wait until they are well in to their 40s to have a home of their own, or one where people of all ages find themselves completely priced out of the market.

The need for a new approach

As a government we can – and will – provide help right now to those struggling in our broken housing market, but in the long term the only way to solve these problems is to build enough homes.

To meet both future and pent-up need, independent estimates suggest we need to deliver somewhere between 225,000 and 275,000 homes every year.

That may sound simple enough, but it's a goal that has proved elusive for every government since the 1970s.

We are not prepared to let that record continue and that's why we published a white paper, [Fixing our broken housing market](#), which resets housing policy, switching from demand-side interventions to a focus on increasing supply.

An inconvenient truth

The good news is we're not starting from scratch. Under my predecessors house

building recovered from the historic low we inherited in 2010.

Net additions to the housing stock increased from 145,000 in 2009 to 2010, to 190,000 in 2015 to 2016.

Real progress, but not enough.

I spent my first few months as Housing and Planning Minister talking to as many people as possible to try to understand why we haven't been building enough homes.

And I quickly came to one conclusion: despite lots of people trying to pitch one to me, there's no silver bullet solution. If there was, one of my predecessors would have found it.

I wish it wasn't so: if there was one big idea with the potential to transform our house-building woes it would have made this speech a lot shorter – and the white paper much easier to implement.

But I am convinced that what's actually needed is a whole series of interventions at every stage of the house building process.

We need to make sure we're planning for the right number of homes in the right parts of the country.

Once developments have got planning permission, we need to make sure they are built out quickly.

And we need to diversify the market so that we're not so dependent on a small number of large developers to do that building.

The CPRE have long argued that failures in the housing market can't be solved simply by releasing more land for building. The white paper clearly and unequivocally agrees with that view.

Releasing more land in the right places is necessary if we are to build the homes we need, but on its own it will not be sufficient. Action is required on all fronts – and that's the approach we set out in the white paper.

Planning for the right homes in the right places

Since it's probably the most difficult part of our conversation, let's start with planning.

There are a number of problems with our planning system at the moment.

Some councils still haven't produced a plan. In those areas, development is happening thanks to speculative applications, which are often resisted by local residents. It's slow, expensive and denies communities the chance to agree where they would like to see development go.

Other councils produced a plan years ago, but it is now hopelessly out-of-date.

Others still have an up-to-date plan, but have ducked the tough choices that need to be made by failing to be honest about the level of housing need in their area.

We can no longer tolerate this patchy performance.

So we'll be insisting that every area is covered by a plan, which must be reviewed at least every 5 years. And we'll be consulting on a new way for councils to assess housing need, which we'll strongly incentivise councils to use, so that these plans start from an honest assessment of how much housing is required in their area.

This consultation is a central plank of our reforms and we want you to be involved in it. We want to build a national consensus about the best way to estimate how many homes are required in each area, so that we can do away with the time and money that is currently wasted arguing about this issue.

We also want you to be involved in using another power you asked for – the ability for local communities to shape the design and mix of new homes.

73% of people say they would support new developments if they are well designed, built in the right places and in keeping with their local area.

That's a view I know you share and yet there are some people who claim the CPRE is merely a respectable front for nimbyism – that behind your public objectives is a private and unrelenting refusal to accept any kind of new development in rural areas.

Of course I know that's nonsense.

You recognise that well-designed new settlements in sustainable locations can take the pressure off the green belt and you have an unparalleled legacy in influencing the planning system, particularly in the years after the war.

Your vision for garden cities, towns and villages has been adopted by the government. So has your preference for community-design, with extra power and resources for local areas to make this happen.

So now you have got the government behind your ideas I would challenge you to go a step further and prove your detractors wrong.

Support local communities in their quest for good design and actively seek out and champion the best-designed developments – so no one can say your words are not backed up by deeds.

Alongside greater ability for local communities to influence design, we're also introducing new measures to help councils identify appropriate sites for development.

In all but the most exceptional circumstances that will exclude the green belt.

Contrary to a lot of press speculation beforehand, the white paper doesn't

weaken protections for the green belt one jot. Indeed, it actually increases protection for ancient woodlands and veteran trees, something I am sure the CPRE welcomes.

Around 11% of the surface area of England is already developed. A further 13% is green belt. Allowing for the fact 40% is covered by protective designations, such as national parks, there is still plenty of other land to build on without having to concrete over swathes of our precious green belt.

Some greenfield land will be required for new homes, but our focus is on developing brownfield land – specifically in those parts of the country where additional homes are urgently required.

We'll amend the [National Planning Policy Framework](#) to increase the take-up of brownfield sites suitable for homes, prevent low density developments where there is a clearly a shortage of land and support proposals for Starter Homes on employment land that has been vacant or unviable for 5 years.

These are merely the latest steps to bring brownfield land back into use.

Together with the Mayor we've designated 57 brownfield housing zones around the country for up to 77,000 new homes.

The £3 billion [Home Building Fund](#) will also support development on brownfield land, as will the £1.2 billion Starter Homes Land Fund.

We've legislated for the introduction of Brownfield Registers so developers of all sizes can easily find suitable sites.

And permission in principle for brownfield sites will provide a new route to planning permission that gives up-front certainty for developers.

As your Head of Planning Matt Thomson acknowledged last week, this government has done a great deal to prioritise regeneration and make the most of our existing housing stock.

We've widened permitted development rights so that new homes can be delivered by converting commercial buildings; we've provided funding to encourage estate regeneration projects across the country; and we've done more than any government to bring empty homes back into use through the New Homes Bonus and Council Tax changes.

It means the number of empty homes has fallen by a third since 2010 and now stands at the lowest levels since records began.

Faster building

But as I explained earlier, planning for the right number of homes in the right places won't fix our broken housing market on its own.

The evidence of the last 7 years proves that. Thanks to the planning reforms we've already introduced, English councils granted planning permission for a record number of homes in the 12 months to September 2016 – 277,000.

If I was confident that all those homes would be built quickly we wouldn't have needed to publish a housing white paper.

But I'm not confident. There's a large and growing gap between homes being granted planning permission and homes being started.

And people can't live in a planning permission. So the second chapter of the white paper focuses on what we need to do to get planning permissions built out quicker.

We've listened to all the things developers say slow them down – viability assessments, section 106 agreements, mis-use of pre-commencement conditions and infrastructure delays – and we're taking action to deal with all of them.

Having addressed all their concerns, we're entitled to expect developers to build out quicker.

And if they don't we're giving councils new powers – shorter timescales for implementing permissions; more streamlined completion notice procedures; and new guidance encouraging more active use of compulsory purchase powers at stalled housing sites.

And having given councils new powers they've been asking for, we'll be introducing a new Housing Delivery Test to hold them to account if they don't ensure the homes they've planned for are actually built.

Diversifying the market

Build out rates will also be quicker if we have a more dynamic and competitive house building market and that is what the third chapter of the white paper tries to achieve.

Small independent builders were decimated in the 2008 recession and most have never come back, while new companies find it very difficult to enter the market.

It means 60% of new private homes are built by just 10 companies, using methods that haven't changed much for the past century.

A lack of competition is never good for innovation, something our housing market is in desperate need of.

So we will make it easier for small and medium-sized builders to compete and encourage innovation.

That means access to finance for small and medium-sized builders – and those using innovative methods of construction, such as off-site manufacturing – through programmes such as the £3 billion Home Building Fund. And it means councils ensuring they are making smaller sites available in their local plans.

We'll also make things easier for custom builders who want to design and build their own home and encourage institutional investment in the private

rented sector.

And we want housing associations and local councils to build more. The private sector can't solve this problem on its own.

In the 1950s and 1960s – when we did build enough homes – councils made a significant contribution and, while no-one wants to go back to large mono-tenure estates, council-owned local housing companies and housing associations have an crucial role to play.

Conclusion

I said I wanted a conversation so I am keen to move on to questions, but let me finish where I started – on the value we place on your input.

We recognise that your concern for the preservation of the English landscape is shared by millions of people across our country. Indeed as a government – we share it too.

We have listened to you on housing and planning issues and we're implementing many of your ideas, but in return we want your help.

I'm delighted that your leadership clearly recognise the urgent requirement to fix the broken housing market. Now I want those words to be matched with practical, positive action.

Each year that passes this problem gets bigger, the solutions more difficult and the consequences for our children and grandchildren gets worse and worse.

We must build more homes of the type people want to live in and in the places where they're needed.

That requires both new thinking and a tireless commitment to deliver on the ground, not just from the government, but from everybody with an interest in our housing market, including the CPRE.

We won't always agree on every single issue, but I challenge you to work alongside us, so together we can both preserve our precious countryside and build the homes we so desperately need and makes this a country that works for everyone.