

Speech by Rt Hon James Brokenshire MP, Secretary of State for Housing, Communities and Local Government

Dean, thank you for hosting me this morning and before we get started there is one important piece of news that I need to relate.

I recognise this may upset the political apple cart.

It may be controversial.

I know it is going against the flow at a time of political turbulence.

But I can confirm, here and now in this place that I am NOT running for the Leadership of the Conservative Party.

So rather than spending time cleaning my ovens this morning instead, I thought I might share some thoughts on the urgent need for a renewed sense of political vision in our politics, the current leadership contest and some personal ideas on housing policy in particular.

Friends, it scarcely seems possible that it is 12 months ago that I spoke here at Policy Exchange setting out some of my initial thoughts on housing.

It's fair to say that quite a lot has happened in that time...!

But, sadly, what HASN'T changed is the deadlock over Brexit and – if anything – the country is now even more divided than it was a year ago.

And that has not been for want of huge efforts to find a common way forward to deliver Brexit.

No-one could have tried harder.

No one could have put their heart and soul into finding a way through the storms that have battered our politics more than Theresa May.

Indeed, there is no-one more committed to our country, public service or our precious Union.

It has been a privilege to work alongside Theresa for nine years, both when she was Home Secretary and during her time as Prime Minister.

To see that utter dedication and steely determination to get the job done... whatever the personal price might be.

To know that passion for social justice, an opportunity society and driving change on mental health, domestic violence, modern slavery, racial disparity.

To experience her kindness - especially when I had to step back from Cabinet for cancer surgery last year.

It is right that, as she stands down as our Prime Minister, we thank her for her service to our country

But we must now choose who should succeed her.

There are already thirteen people who have said that they intend to stand as the next leader of the Conservative Party.

In anyone's terms, this is rather a lot - and, who knows, someone else may even have declared whilst I've been on my feet!

But there is a serious point this scramble for the leadership has exposed.

There is so much talent in the leadership candidates' stories.

There is a wealth of experience, ideas and vision to choose from.

But we simply do not have any time to waste.

We simply do not have the luxury of weeks of navel gazing or days and days of whittling candidates down to the final two and talking to ourselves.

At a time when the country is looking to us for leadership we need to show this as a Party.

So I say gently to some of my colleagues who have put themselves forward for what has been described as the Grand National of Political Contests.

Please think carefully.

If you already know it's going to be a bit of a struggle to get over the first fence let alone Becher's Brook ahead, then maybe you should pull up.

There is no embarrassment in that.

It doesn't reflect on your talent or ability to influence the direction of our Party now and in the future.

It's just the overriding need to get our new leader in place as quickly as possible.

And to get on with the absolutely critical job of charting the right course for our country.

Because the challenge for the next leader is enormous and urgent.

This is a dangerous moment not just for the Conservative Party, but for our democracy, our politics and the country as a whole.

We need to deliver Brexit - full stop. No equivocation. No ifs, no buts.

But we also need to set out a compelling, positive, optimistic vision for our country.

Outward looking and grounded in social mobility and an opportunity agenda.

Where people from whatever background can fulfil their hopes, their ambitions and their potential where the state is on their side – not on their back.

And we must, absolutely MUST, address the need for reconciliation and unity in a divided nation.

Underlining that despite everything, there is still so much that we have in common, so much more that unites us than divides and which celebrates the rich diversity that represents the country we are.

In short we need to set out a new contract for a modern Britain.

A new deal with the British people.

One that goes beyond the tactical manoeuvring of individual policy announcements intended to create a 'narrative'.

But rather paints a confident modern future for our country in broad bold strokes.

That creates a positive vision for our country.

That paints a confident Conservative vision for the future.

Of hope and optimism and belief in what the future of our country will hold.

That underlines that our best days lie ahead of us, not behind us.

It is against these criteria that I will be assessing my own choice for the Leader of the Conservative Party and what I believe the next leader needs to do in order to remake the arguments for Conservatism. [***]

One of Conservatism's great strengths is its wariness of dogma.

As Conservatives we are uncomfortable with its constraints, its blindness and its totalitarianism.

Instead we are comfortable with history and its nuance.

The lessons it teaches us about ourselves and society.

About where we come from, the choices that have brought us to where we are and what this tells us about the present and future.

Indeed, at our core is a profound sense of pragmatism, allowing us to recast our political message to reflect the needs of the world we see around us.

And in this context the political landscape has changed immeasurably.

Noble ideals are just not enough to win hearts and minds.

As Conservatives we need to rediscover our idealism and be confident in it. [***]

And this is as true on the issues of homes and home ownership as any other.

Housing is a key political battleground of course and a policy area that I have got to know very well.

This government has done more than any other in living memory to address the challenges in the housing market.

Building on the reforms of my predecessor we have made significant strides forward with more new dwellings delivered last year than in any year but one of the last 31 years.

In the 13 months since I've been Housing Secretary, we've opened a new source of supply in councils, by lifting completely the Housing Revenue Account cap.

We're pioneering long term deals with housing associations to shift the whole balance of investment into social housing, making that long term future commitment so that housing associations can be more strategic.

We'll shortly be setting out our next steps on social housing through our response to the social housing green paper.

Confronting unacceptable stigma, securing higher standards and putting in place more effective regulation to ensure the voice of tenants is heard and acted on.

We've announced our intention to abolish unfair 'no fault' evictions; so called Section 21 and the Tenant Fees Act has just come into effect a short few days ago.

All giving confidence to the 4-point-5 million households privately renting in this country that the government is on their side, and that we want to see a private rental market which protects tenants, and rewards good landlords.

We've confronted unfairness in the leasehold market with steps to stop abuses of leasehold houses and the inappropriate use of ground rents.

I've challenged the development industry to raise the bar on the standard and quality of the new homes we build with a new homes ombudsman to follow.

We've established a wide-ranging programme to confront homelessness and rough sleeping, seeing the first fall in the annual rough sleeping count since 2010.

We've banned combustible cladding in external walls of high-rise residential buildings, and most recently, agreed to fully fund the remediation of ACM cladding on privately owned buildings still without commitments from freeholders or developers.

We're improving building safety, making the private rental market the fairest it has ever been, and ushering in a new generation of social homes.

And yet the challenge of turning 'generation rent' into the next generation of home owners remains.

Help to Buy, for all its critics, has helped more than 210 thousand families into their own home.

This is something we can be proud of, and it was right that last year we extended the scheme until 2023, providing certainty to the market and extending the opportunity it provides to even more people.

But there is, of course, a limit to schemes such as Help to Buy. We need to be laying the ground now, for what comes next.

Because homeownership is still what the vast majority of people in this country aspire to.

It's why rightly my colleagues running for the leadership are looking to rejuvenate the dream of home ownership for a new generation.

So I'm going to offer a few personal ideas any leadership contender should consider seriously to help empower consumers in the housing market.

The first is how we address the issue of deposits for buying your first home.

As has been made clear by many others before me; it's hard to believe in capitalism if you don't have any capital.

Auto-enrolment began in 2012. Record numbers of people are putting into their pensions.

We should be looking at allowing an individual to use part of their pension pot as a deposit on a first time home purchase.

We should be changing the necessary regulations to allow this to happen, protecting the integrity of pension investments but allowing lenders to innovate and design new products to bring this opportunity to consumers.

It seems rather obtuse that we would deny people the opportunity to do this, given that we know those who own their own home by retirement are on average a) wealthier and b) do not have the burden of the largest expense in retirement – accommodation.

And it is, after all, their money.

Not the fund's, not the state's, it's YOURS and the next Conservative government should free that capital up, and trust the individual to make the choice for themselves.

The average 35 to 44-year-old has a pension wealth of approximately 35 thousand pounds.

If a couple could combine their pension wealth, both potentially using a proportion to support a deposit, this would make a huge difference to millions of lives.

It would give people real choice, real opportunity.

We could say to millions of people in this country, you do have capital, it's yours, you DO have choices, you DO have freedom.

To those who are in their 20s and finding it difficult to save, this idea offers a genuine route to a deposit.

We can say to that generation that there is a way, they do have a choice, they too will have that freedom.

Similar schemes already exist in comparable countries; in New Zealand the 'Kiwisaver' schemes helped over 30 thousand people onto the housing ladder last year.

In Canada, the rather prosaically-titled Group Registered Retirement Savings Plan was this year updated to allow people to use up to 35 thousand Canadian dollars of their pension savings to purchase a home.

Millions of Canadians have benefitted from the scheme.

And this new type of regulatory approach to the mortgage market should also be mirrored by a change in lenders approach to risk.

It's a common refrain but it's true, for many people there would be no cost difference between paying a mortgage as opposed to paying rent.

For many, a mortgage would be cheaper.

We have more data now than we have ever done to assess someone's capacity to access debt, so how can we use it more effectively?

A track record of consistent rental, credit card, council tax and phone bill payments should carry far greater weighting than they currently do.

We need to be making the regulatory environment easier for lenders to assess someone's 'real' creditworthiness.

Now these are major reforms, arguably on the scale of right to buy, and they are also profoundly Conservative, trusting people with their own money and empowering the consumer with greater choice. [***]

Now it would be entirely wrong, to be here at Policy Exchange this morning, and not mention the other B word - of which PX assuredly has become the spiritual policy home.

Beauty - and the conversation which has now got underway on promoting beauty in the built environment.

Politics should be about tapping into these universal ideas, because those are the ones with the greatest potential to inspire and ultimately bind us together.

In provoking this debate, I don't want to tell people what to build, contrary to what some people may think.

I just want those who are responsible for building to understand that popular consent matters.

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

As output increases toward 300 thousand new homes a year by the mid-2020s, questions of quality and design will only become more important, not less.

We have to be challenging now to ensure that the next one million homes we build are to a standard of which we can be proud.

Housing can't just be a simple numbers game.

We're in the business of building communities, not units.

We want to build HOMES not houses or flats.

Growing a sense of place, not undermining it.

And recognising the sense of identity which comes from this.

The strength of feeling, the importance we attach to our roots.

The identity and pride drawn from saying "I'm from here and this is my home" isn't something parochial or small, but utterly essential to understanding how the modern world is making a sense of place more important, not less.

Place, like beauty, is a universal idea.

It's a special connection and sense of belonging that never leaves us.

That's why I've made the case that we need a New Unionism and I am more convinced of that now than ever.

There is something special and unique about our country, and, by extension, this sense of citizenship will become an ever more important part of our national story as we leave the European Union.

The rights we have, the values we share, the benefits we enjoy and the duties we owe.

These should be things that not only our own people cherish, but that people from around the world aspire to have too.

This New Unionism goes beyond the relationship of the four nations of our United Kingdom, but about the relationships between the towns, cities and regions within and between them too.

Our units of solidarity are multiple, from the family, to the street, through to the city and beyond. I am both Essex boy and Londoner, English and British.

We all feel that sense of belonging in different ways and on many different levels.

It also underlines to me the need to ensure that no places feel left out or left behind.

It's why our City Deals, the Northern Powerhouse and Midlands Engine matter so much.

The essential need to harness the strengths of all parts of our United Kingdom in driving our future prosperity and that is felt across the country.

Providing a sense of opportunity - of driving ambition and potential in towns and areas that haven't felt the proceeds of growth.

That's what lies at the heart of our 1.6 billion-pound Stronger Towns Fund and what needs to inform the next steps on our UK Shared Prosperity Fund in raising productivity, jobs, skills and prosperity across the country.

Why we should create town deals which pull investment streams together and set out our commitment to those places as Government to be a positive catalyst for change and getting out of the way to allow local innovation to flourish.

But as Government we need to get smarter and better on how we make our big infrastructure investments.

We need to join up Whitehall better and strengthen our capabilities so that the decisions we take aren't in silos.

That they achieve multiple goals on housing, on connectivity, on economic growth and productivity.

And we need to make this real for the public.

As Margaret Thatcher once observed:

"You and I come by road or rail, but economists travel on infrastructure."

We need to communicate our policies and vision into the practical reality that people feel and experience in the places that they live in and in their everyday lives.

And this includes joining up social policy too starting with stronger families.

One of the biggest mountains that some families face – the feeling they were battling multiple problems on multiple fronts on their own.

Dealing with multiple agencies and multiple people.

Sharing the same issues and same problems with them over and over and over again.

I've seen through the Troubled Families Programme how it doesn't have to be this way.

Around 400 thousand families have now been helped by the Programme's whole-family approach with its emphasis on early intervention and its track record of tackling complex challenges

It has now shown how this is making an important difference and proven its ability to give people hope and a brighter future.

But it's also broken down silos with a sense of solidarity among services working with these families, who are among the hardest to help, for years, but who now grasp just how much more can be achieved for them when they come together.

How the outcomes for families are better when people work together.

That's why I am such a passionate advocate for the Programme and want to see it go from strength to strength.

Because the implications for wider public service delivery are profound.

We had the new public management model under Margaret Thatcher in the eighties.

Then the choice agenda, followed by the open public services agenda from 2010.

The Troubled Families Programme – with its model of services joining up around a whole family – I think suggests the next wave.

So that when we say that we want opportunity for all with no-one left behind, we mean it.

It is on this scale of ambition the next leader of the Conservative Party needs to work at.

Because we still have political battle yet to come against Jeremy Corbyn's Labour Party and it is one we must win.

And this is the challenge confronting Conservative politics.

Can we hold the disparate strands of policy and ambition, and fashion them into something which binds us together?

Speech by Rt Hon James Brokenshire MP, Secretary of State for Housing, Communities and Local Government | Policy Exchange | 3 June 2019

There is a logic which says the two Conservative traditions of economic freedom and a sense of belonging, work against one another, that they lead us in different directions.

We CAN and we MUST harness both.

This is our coalition.

That is the Conservative family.

The job of the new Prime Minister, supported by their Cabinet, Ministers and colleagues on the back benches, is to bring that family together.

To make your economic freedom enhance your sense of belonging, and for that sense of belonging to shape the economic choices your freedom affords.

To set out that renewed contract with the British people and harness our great country's potential as we look to a positive future beyond Brexit.

We are now at the start of a debate about the very future of the Conservative Party and the future of our country.

If it begins and ends with the question; who should be the next leader, then we have already lost.

We are a party of ideas or we are nothing.

And the time for that vision, those ideas is now.

So that we write the next chapter of our country's proud history and be confident and optimistic about the path that lies ahead.

Thank you very much.