

## **SPEECH**

### **Housing 2017: Terrie Alafat – Tuesday June 27**

Hello everyone and welcome to Housing 2017.

I want to start by thanking you all for joining us in remembering the victims of the awful fire at Grenfell Tower just two weeks ago.

This is a tragedy which has stunned the entire housing community and our thoughts are of course with everyone affected at what remains an immensely difficult time.

At times like this the most important thing is that we come together and use our collective knowledge and resources to help in any way that we can.

I want to take a moment to recognise an important thing to come out of this terrible event: the extent to which the community has come together and the work of the housing organisations which have stepped in to offer free accommodation and support to the many people left without a home.

We were part of a group of organisations which met with the housing minister following this terrible incident to look at what the response of the government and the sector should be, both in the immediate aftermath and in the long-term.

We understand that as a result of the tragedy you want guidance and support on fire safety and related issues.

That's why copies of our briefings and guidance on fire safety are available from our stand for you to take away this week and on our website.

We have also adjusted our programme to incorporate these issues into a number of our conference sessions. And we have introduced new sessions - including a keynote bringing together experts from the fire safety and housing sectors.

I want to make one thing absolutely clear – we will be doing everything we can to play our part in making sure this never happens again.

It's great to see so many members of the housing community here at what remains the biggest housing event of the year.

More than 300 exhibitors, 1,500 delegates and 8,000 visitors will be part of Housing 2017.

We're delighted to bring you a packed, diverse and exciting programme featuring 200 expert speakers from across the sector and beyond.

Being here is an unparalleled opportunity to explore the challenges which lie ahead for our industry, to hear from the organisations and people at the cutting edge of delivery, to join the debate and, crucially, to do all of that together.

This is an opportunity to be part of something bigger at a critical time for our profession.

Well what a year it has been.

If, as Harold Wilson once said, a week is a long time in politics, then a year is a lifetime in housing.

When we gathered last year the nation had just voted for Brexit.

That was more than enough excitement for one year.

Since then we've had a new prime minister, two new housing ministers, a housing white paper, and if that wasn't enough to get our heads around ... a snap election in which the outcome defied almost all expectation.

Yes, it has certainly been a year of change.

And the result of the election just a few weeks ago adds further uncertainty into an already very unpredictable and challenging environment.

Many questions remain unanswered.

How will the outcome of the election affect the government's plan to solve the housing crisis?

Will it affect welfare changes which are set to impact significantly on our sector?

How will Brexit affect our work?

If the shock general election result and the last 12 months have taught us anything, it's that our society is more divided than it has ever been.

Divided politically.

Divided financially.

Divided by generation.

And divided by ideology.

People in our communities face challenges every day, and those challenges are different for every person.

In such times our role at the heart of our communities is more important than it has ever been.

Because one thing that unites us all is our need to have a place to call home.

To have shelter ... security ... safety ... happiness and warmth – a place from which we and our children, and their children can flourish and thrive.

So this week is about much, much more than just housing.

Yes, it's about our sector's place in an increasingly unstable political environment.

Yes, it's a chance to agree a way forward so that we rise to the challenge of our national housing crisis.

But most importantly of all ... it's about the future of our communities and our people.

Of course, not all change is negative.

In fact some of the change we have seen over the last 12 months has been extremely positive.

We've seen a renewed commitment to tackle the housing crisis from governments across the UK – in Scotland, Wales, Northern Ireland and England.

And we've seen acknowledgement that we must build homes of all types and tenures to meet the diverse needs of people up and down the country.

In England this was backed up by a housing white paper which outlined proposals to get us building the homes we so

desperately need including recognition that councils will have a crucial role to play.

We also saw housing gain a decent share of the headlines in the run up to the so-called 'Brexit election', with each of the major political parties pledging immediate action to tackle a housing crisis which has been decades in the making.

I think we can all agree that the extent to which governments have listened and worked with us over the last year has also been a big positive.

I'm delighted to welcome Alok Sharma as our new housing minister and I think I speak for everyone when I say we look forward to a positive working relationship to make sure the sector can get to work on delivering the homes that we need as quickly as possible.

Amid all of the changes of the last 12 months two major things have remained.

The first is the absolute commitment of housing professionals. I continue to be amazed by your ability to step up to the mark every single day to continue to make a difference.

Your commitment to change lives, regardless of the challenges thrown at you, is inspirational and you should all be extremely proud of that.

But another thing has stayed the same too.

Our housing crisis is as serious as it has ever been.

We haven't built anywhere near the number of new homes that we need for many years now.

Quite simply, there are still too many people without access to a decent home that they can afford.

A long-term problem requires a long-term solution. To get to the 250,000 new homes we need to build every year, we will all have to play a part.

All of us here this week and all of the organisations we work for have a role to play and with the right support from government we are ready to make it happen.

The change in tone from the last government and some of the proposals which followed have been encouraging.

But that positive shift in language has not been matched with funding and we still have such a long way to go before we have a housing market that reflects the very different needs of people in our society.

House prices continue to be well beyond the reach of many people. Private sector rents continue to rise and people now regularly spend half of their wages on housing.

Meanwhile the very worrying rising trend of homelessness continued this year and thousands of people sleep on our streets every night.

Even with the new funding announced by the last government our analysis shows that of the £51bn earmarked for housing until 2021 just £8bn, or 16%, will directly fund the building of affordable housing. The vast majority of the rest will support private housing - particularly home ownership.

We're calling on our new government to take another look at this imbalance, because the simple truth is, we need direct investment in genuinely affordable housing if we're going to solve the housing crisis.

And CIH has been clear that investing in our existing homes is as important as building the new homes that we need.

It's worrying then that just last week we saw a 51% drop in the number of government funded social rented homes in the last year, while our forecasting suggests we could lose a quarter of a million of these homes between 2012 and 2020.

This is at a time when we desperately need more, not less, of the most affordable homes.

It's easy to get bogged down in the numbers and forget the people for whom the housing crisis is a daily reality.

Imagine being a young person looking for a home today.

If you aren't lucky enough to get help from the bank of mum and dad, what are your options?

You could save up – but with average house prices now more than ten times your earnings in some areas it's likely it will take you quite a while – a staggering 26 years on average if you're a couple with a child in London.

Or you could become one of an ever-growing number of people renting in the private sector, where rents and the cost of living have risen significantly in recent years while wages have remained stagnant.

Research we have launched today shows in the worst hit areas of the country average private rents have increased significantly faster than earnings since 2011.

The numbers are backed up by people's perceptions.

Polling we conducted with Ipsos MORI after the election showed that a third of people are concerned about their housing costs – rising to 56% of private renters.

Meanwhile nearly a quarter of the people we surveyed - said they may have to consider leaving their area because the cost of housing is so high – again increasing significantly to 44% of private renters.

And two thirds feel it is harder for them to buy or rent a home than it was for their parents' generation.

Taken together, this polling and the results of our research paint a very stark picture of the choices facing many people today.

Too many people are struggling.

Too many are trapped in a situation where housing they can afford is simply not available in their community and, in the worst cases, they are becoming homeless.

This has to change.

We have to build more of the right homes, in the right places and we have to do it now.

Significantly increasing the number of homes we build will be crucial, but it is not the only consideration.

We've been campaigning for some time now on welfare policies we think risk undermining the renewed effort to solve our housing crisis.

The first is the local housing allowance cap.

We already know that this has resulted in some housing organisations having to press the pause button on their development of supported housing – accommodation which is so crucial for so many vulnerable people in our society.

Supported housing transforms lives and importantly makes a vital contribution to relieving pressure from our strained health and social services. It would be a travesty if the imposition of the LHA cap were to result in us losing this vital, cost-effective housing provision.

The impact on general needs social housing could also be significant.

Our research showed council tenants could face a shortfall of up to £25 a week between the help they get with their housing costs and their rent.

If the LHA cap is introduced as planned, it will make a difficult situation worse for many people.

And its impact will be exacerbated by the fact that the local housing allowance itself is increasingly out of step with the reality of rents.

We are calling on the government to urgently reconsider its approach to the local housing allowance.

Another policy which is making it more difficult for families to access housing is the lower benefit cap.

This is a policy which, in some cases, is leaving people with huge gaps between their housing costs and the help they get to pay for them.

Recent figures released by the government backed up the concerns we expressed ahead of this policy coming into effect.

Tens of thousands of families have been affected by the cap.

Most of these families are two and three-children households.

They face a significantly increased risk of falling into arrears and the very real prospect of becoming homeless.

Our fear is that many families across the UK are just a redundancy or a period of ill health away from being affected by the lower cap.

It is now almost impossible to argue that this policy is simply “restoring fairness to the welfare system” as the government has claimed.

This policy is not achieving its stated aim, and it should be reversed.

We know that the government has finite resources but this is not about spending more, it is about being more strategic about spending.

Not investing in affordable housing and saving money on benefits may reduce spending initially.

But it will come at a very severe cost for the government, our health and social services and for society if more and more individuals – many of whom are vulnerable – are not able to access suitable, affordable housing.

We need a long-term, strategic plan if we’re really going to solve this crisis.

I said earlier that we must remember the people who are at the sharp end of our housing crisis and nowhere are its effects

more obvious than for the many thousands of homeless people we have in the UK today.

The most recent government figures, released just last week, show that homelessness has increased again. Particularly worrying is the staggering 61% increase in the number of people in temporary accommodation since 2010.

It is simply unacceptable that we have so many people who don't have access to a home and even more troubling that thousands of people sleep rough on our streets every night.

This is a national disgrace and we need action now.

The Homelessness Reduction Act is a brilliant piece of work and represents huge progress, but it won't solve the problem alone.

I want to be absolutely clear on this. We have successfully reduced homelessness before and we can do it again.

We need a strategy which takes into account all of the things I have just been talking about.

More genuinely affordable homes.

Resource and support for housing associations and councils to deliver them.

Welfare measures which don't undermine housing policy.

All of this is related.

I was privileged to play a key role in government the last time we reduced homelessness.

It only happened because every department played a role and there was a real focus.

For a number of reasons we've lost that over the years.

We desperately need to get it back.

We know what we need to do – we just need to make it happen.

We are calling on the government to work on a cross-departmental strategy to tackle all of the drivers of homelessness.

Crucially, we are also calling on the government to make sure that they match the new duties placed on councils by the Homelessness Reduction Act with the right level of support and resource to deliver them.

As your professional body you can rest assured that we will continue to be a voice for you on these important issues.

As we look ahead to the next year fresh challenges await us. We need to work with the new government to make sure it's mission to solve the housing crisis becomes a reality.

We must continue to push for more support for our sector so that we can help more people.

And the progression of the UK's exit from the European Union will continue to create uncertainty and challenge.

Throughout all of this CIH will continue to do research which sheds further light on the policy environment.

We will also continue to equip you with the knowledge and practical tools to help you be the best you can be.

And we will continue our work with the government to bring about real change.

There's no doubt that while changes in the policy environment will be key to get us where we need to be, what we do is still in our own hands.

Now, more than ever, we must understand the needs of our customers, tenants and residents.

We must continue to build high-quality homes.

To deliver exceptional services.

To bring through fresh talent into our sector.

To work together and to challenge one another to be the very best that we can be.

And we must do all of this without losing sight of our fundamental purpose.

That is perhaps the biggest test for us all – how we meet the challenges which lie ahead and retain our identity.

How we maintain the social mission which must remain our beating heart.

Yes, we have to change, we have to diversify and do things differently.

But recent events are a reminder to us all that we must never forget the social in social housing.

That word sums up so much of what we should strive to achieve.

Our role is a special one - a privileged one. And we must carry on pushing the boundaries of what we do to create great places to live and to give the people in our communities a better, brighter future.

While we are being challenged to find ways to continue to do our work, many individuals and families face a battle every day to live a decent life.

CIH will never stop making the case for those people and for the work you do to help them.

Our national housing crisis demands nothing less.

Our conference this week provides us all with a golden opportunity to get to grips with these issues. What a fantastic opportunity.

Let's move forward together.

Thank you and I hope you enjoy the conference.