

Labour: Emma Reynolds speech - The Choice on housing

Thank you for that introduction.

It's great to be here in Nottingham.

I am proud of the work that the Labour council, under the leadership of Jon Collins, is doing here.

Doubling the city's tram network to boost the local economy.

Preserving frontline services and driving forward regeneration projects.

And undertaking the biggest council home building programme in 40 years.

That's a Labour vision in action.

And that's what I want to talk to you about today.

Labour's vision to change our country for the better.

As Ed Miliband has said, we want to build an economy that works for the many not just the few.

We want to ensure that the next generation is better off than the last.

We want to reward aspiration and provide opportunity for all.

And - at the heart of that vision - is housing.

Because building an economy that works for all, means starting with a decent home for all.

Rewarding aspiration, means the next generation being able to get on the property ladder.

Opportunity for all, begins with a stable home where parents can bring up their children. Yet, we're in the midst of the biggest housing crisis in a generation.

We're not even building half the homes we need to keep up with demand.

It takes the average family 22 years to save for a deposit.

And if you're on the waiting list for a social home, there are 1.6 million families in the queue with you.

As a result, more and more people are living in the insecure, expensive and often sub-standard private rented sector.

This shortage of decent homes has much wider social and economic costs.

Poor housing standards affect our health.

Over-crowding and insecurity of tenure affects our children's education.

Poor energy efficiency costs more in bills and is bad for the environment.

Then there's the shortage of affordable housing.

It means our businesses find it harder and harder to recruit and retain staff.

And it affects the overall state of our economy.

The Governor of the Bank of England, Mark Carney, recently warned that the housing market is the single biggest threat to economic recovery.

He has some financial tools to cool the market.

But the Bank cannot build one single home.

Because it is the Government's responsibility to intervene in a market that is not working.

By ensuring the private market delivers the homes we need.

And through building affordable and social homes.

But we're falling well short and have done for some time.

While the last Labour Government did many great things on housing:

2 million more homes.

500,000 more affordable homes.

1.3 million social homes improved and lives transformed.

Clearing up a Tory inheritance that included Council houses with outside toilets.

It is also true that no Government has built enough homes for 30 years.

We, the Labour Party, understand the scale of the challenge we face.

While the Tories say the housing market is back on track, the truth is they've presided over the lowest level of house building since the 1920s.

Fewer affordable homes were built last year than the last year of the Labour Government.

The fewest number of social homes built since records began.

That's no surprise when the first thing the Tories did on housing in Government was to cut

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the affordable homes programme by an eye-watering 60 per cent.

And the Tories have a nasty habit of over-promising and under-delivering.

Let's take the New Homes Bonus.

Hailed as a flagship policy to increase house building.

It will distribute £7bn over six years.

The Government claimed it would lead to an additional 400,000 homes.

But the National Audit Office has found no evidence it is working.

And as I revealed earlier this week, with the help of the House of Commons library, the New Homes Bonus is re-distributing hundreds of millions of pounds from poorer authorities to richer ones.

Then we had NewBuy.

Grant Shapps - the man who gives hyperbole a bad name - claimed it would help 100,000 people onto the property ladder.

Three years later, it's helped just 5 per cent.

Then there's the Government's drive on public land.

They claimed they would deliver enough public land to build 100,000 homes.

I asked the Government how many homes had been built on land released so far.

They said they had no idea.

Which is in a nutshell - their approach to housing.

Government Ministers like to talk about Help to Buy.

We support help for first time buyers but the Government simply haven't understood that - boosting demand without boosting supply - risks pushing prices out of reach of the very families and young people who are struggling to get on the housing ladder.

This is the crucial difference between the Tories and Labour.

The Tories claim to be the party of home ownership.

But the truth is, home ownership today is at its lowest point in any year since 1987 - the last time the Tories were in power.

For every year of the last Labour Government, home ownership was higher than it is now.

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They pay lip service to aspiration but what's the point in talking about it if you're not willing to make it happen.

The only way to ensure more people can buy their own home, is to build many more homes.

And this is the litmus test of aspiration today.

And for Labour it's absolutely central to our vision.

Family is also something the Tories claim to support.

But when it comes to really supporting families, in their homes, the Tories fall short.

There are now 1.3 million families with children living in the private rented sector. That's 2 million children.

They face real insecurity with often only a default 6-month contract.

They know they could be kicked out at just two months notice.

What could be more de-stabilising to a family than the threat of eviction?

How can a family have the peace of mind that their kids will continue to go to the same school?

How can they manage the family budget with such uncertainty?

Yet the Tories refuse to do anything about it.

They believe the market comes first, not the stability of family life.

In his last conference speech as Leader of the Opposition, David Cameron, said, and I quote "If you want to raise a family, we'll support you."

Perhaps in the small print it said, "unless you rent".

His warm words on supporting families will be cold comfort to a family faced with eviction.

As will his pronouncements on homelessness and rough sleeping - which he said in Opposition - were a "disgrace".

But in Government it has been a different story.

The number of people who are homeless and sleeping rough has increased by a third since the election.

Recent figures show that last year nearly a quarter of a million people sought help because

they feared being made homeless.

So what would another five years of Tory Government look like?

It is clear that they'll be more of the same.

Five more years of a growing housing shortage.

Five more years of falling home ownership.

Five more years of instability and insecurity for families renting privately.

By 2020, there would be a housing shortage equivalent to three cities the size of Birmingham, that's 1.3 million homes.

And the average house price would be 13 times the average wage.

At the next election there is a clear choice.

A choice between more of the same from the Conservatives or a new vision.

Labour's vision, my vision, is that everyone should have a decent home at a price they can afford.

To achieve it, we must build many more homes.

It is perfectly possible to achieve.

France has a similar population but is building three times as many homes.

Canada has half our population but is building twice as many homes.

But you don't need to leave the country to see ambitious housing policies.

Today I am revealing new figures which show that Labour councils are building on average 300 more homes a year than Tory councils.

Like here in Nottingham, where Labour is forging ahead with the biggest council home building programme in forty years.

But we need the same drive, ambition and vision at the national level.

So that's why Labour has committed to getting 200,000 homes built a year by 2020.

Some say it's not enough.

They're right, we need to build more.

But it will take time.

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And it will require fundamental change driven through by a determined Government.

It would be easy to promise more.

The Lib Dems have promised 300,000.

But guess what? They are in Government now and building only a third of that.

What a surprise - another Lib Dem promise hits the dust.

We're serious about delivering on the promises that we've made rather than making promises we can't keep.

Which is why later this year our housing commission, chaired by Sir Michael Lyons, will set out a detailed roadmap to deliver on our ambition.

The first time a party in opposition will have done so.

A Labour Government will deliver a step-change in house building, so that people can realise their dream of home-ownership.

We need a more competitive house-building industry, with a greater diversity of companies.

We need to help small builders to build more.

The last time we built 200,000 homes a year was in the late 1980s, when small builders delivered two thirds of new homes. Now they don't even build a third.

The Help to Build scheme, that I announced earlier this week, will underwrite loans to small builders to unlock their potential.

The big house builders obviously have a key role to play but they alone cannot deliver the number of new homes that we need.

We will bring an end to land-banking and give local authorities the power to say to developers 'use it or lose it'.

We will deliver a new generation of New Towns and Garden Cities.

We will give local authorities that want to expand a "right to grow".

These are just some of the reforms that will help us get to 200,000 homes a year by 2020 and are part of a wider package that Sir Michael Lyons will set out in the months ahead.

But we'll focus on more than just crude numbers - though numbers are important.

We will match our drive for numbers with a zeal for quality and making places and communities where people want to live.

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That's why we're committed to the zero carbon homes agenda.

The Tory-led Government claim to be on board.

But they've dithered and delayed, and then they watered down the commitment.

Labour remains committed to zero carbon homes and we will succeed where this Government has failed.

We will do the same on affordable homes.

It's economic madness that 95 pence in every pound of Government spending on housing goes on benefits and only 5pence goes on building homes.

The Government thinks the opposite.

That's why it cut the Affordable Homes Programme by an eye-watering 60 per cent.

They said they could deliver affordable homes on the cheap.

But in fact, it was just a cheap trick.

The Government's notion of affordability, at 80 per cent of market rent, is costing tenants and taxpayers more.

It is crucial that councils and housing associations build more genuinely affordable homes.

But tackling the housing crisis means we must also reform the private rented sector.

I am as passionate about securing a better deal for renters as I am about delivering a step change in the number of new homes.

The 9 million people who rent, around a third of whom are families with children, deserve a fairer deal.

We have one of the most short term and unstable private rented markets in Europe.

And one of the most expensive.

If you're a homeowner you spend on average 20 per cent of your wages on housing costs.

If you rent, it's 40 per cent.

That's before we include the rip-off letting agent fees that renters' face.

A Labour Government will:

Ban letting agent fees on tenants.

Legislate to make three year tenancies, not short-term tenancies the norm for those who rent their homes in the private sector.

And we'll act on unpredictable rent rises too by putting a ceiling on excessive rent rises during the period of these longer-term tenancies.

A more stable, long term market will be good for tenants and good for landlords too.

Generation rent has been ignored for too long - but not under the next Labour Government.

In ten months' time, the country faces a clear choice.
Another five years of a Tory-led Government.

With falling levels of home-ownership.

Fewer affordable homes.

Rising homelessness and nasty policies like the bedroom tax.

Or a Labour vision to restore the dream of home ownership.

Building the homes our country needs.

Scrapping the Bedroom Tax.

Bringing stability and peace of mind to families.

That's our vision for the country.

Let's get out there and deliver it.