

Housing, Communities and Local Government Committee

Oral evidence: The Work of the Ministry of Housing, Communities and Local Government, HC 409

Tuesday 11 November 2025

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Members present: Florence Eshalomi (Chair); Lewis Cocking; Andrew Cooper; Chris Curtis; Mr Lee Dillon; Maya Ellis; Mr Will Forster; Andrew Lewin; Mr Gagan Mohindra; Sarah Smith; Sean Woodcock.

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Witnesses

[I:](#) Rt Hon Steve Reed MP, Secretary of State, Ministry of Housing, Communities and Local Government; Dame Sarah Healey DCB CVO, Permanent Secretary, MHCLG.

Examination of witnesses

Witnesses: Steve Reed and Sarah Healey.

Chair: Welcome to the Housing, Communities and Local Government Select Committee. I am Florence Eshalomi, the Chair of the Select Committee. Can I ask my committee colleagues to introduce themselves, please?

Andrew Cooper: I am Andrew Cooper, Member of Parliament for Mid Cheshire.

Sean Woodcock: I am Sean Woodcock, Member of Parliament for Banbury.

Maya Ellis: I am Maya Ellis, Member of Parliament for Ribble Valley.

Chris Curtis: I am Chris Curtis, MP for Milton Keynes North.

Andrew Lewin: Good afternoon. I am Andrew Lewin, MP for Welwyn Hatfield.

Mr Forster: I am Will Forster, MP for Woking.



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Sarah Smith: I am Sarah Smith, Member of Parliament for Hyndburn. I will also just put on record an interest that I have. I am also a landlord.

Mr Dillon: I am Lee Dillon, Member of Parliament for Newbury. To declare an interest, my wife works for a social housing provider.

Lewis Cocking: I am Lewis Cocking, the Member of Parliament for Broxbourne.

Q1 **Chair:** I should declare an interest as well, in that I and the Secretary of State were ward councillors in Brixton Hill in Lambeth many years ago. Following the boundary changes last year, we both represent wards in the London Borough of Lambeth. Can I ask the Secretary of State and our other guest, the Permanent Secretary, to introduce themselves, please?

Steve Reed: I am Steve Reed, Secretary of State for Housing, Communities and Local Government and a former ward councillor with the Chair of the Committee.

Dame Sarah Healey: I am Sarah Healey. I am the Permanent Secretary at the Ministry of Housing, Communities and Local Government.

Chair: Congratulations, Secretary of State, on your appointment a few weeks ago in this exciting new role.

Steve Reed: Thank you.

Q2 **Chair:** Obviously, we think it is one of the best roles in Government, being at the Ministry of Housing, Communities and Local Government. I will just pay a tribute to your predecessor, the former Secretary of State, and her Ministers for their work in engaging with the Committee in a constructive way in addressing one of the biggest challenges that the UK is facing around housing, local government and communities.

Secretary of State, you have a busy agenda and a really big portfolio. One key area I want to touch on, to get a brief overview, is whether you will be doing things differently from your predecessor. On reflection, is there anything that your predecessor did that you will change?

Steve Reed: First of all, thank you for that kind welcome. It is a very exciting role to find myself in, particularly given my history in local government. In this role, I very much see myself as building on the work of my predecessor Angela Rayner, who delivered some real change in this brief.

When the Prime Minister asked me to take up this job, he was very clear that my priority was to build 1.5 million homes over the lifetime of this Parliament. My predecessor had already started on that work, notably in taking the Planning and Infrastructure Bill through Parliament, which speeds up our incredibly slow planning system. That is a benefit to getting homes built and getting development going up and down the country where we need it to happen.



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In the Budget last year, she secured £39 billion, the biggest amount in a generation, for building social and affordable homes. We have a housing crisis in every tenure in this country, but we now have the funding available to make an impact in social and affordable housing, and social rent in particular, which has been neglected for far too long. There is an awful lot to build on there.

The Renters' Rights Act recently gained Royal Assent. Again, I will be building on the work of my predecessor. That is now the law. We are working to bring into force the provisions that it included.

I will not be doing things differently from my predecessor. I hope to build on the foundations that she laid.

Q3 Chair: Thank you. We have quite a lot of questions to get through this afternoon, Secretary of State. Do you prefer us to call you Secretary of State or Steve?

Steve Reed: Either of those are much more polite than some things I get called, but I am happy with Steve.

Q4 Chair: Okay, that is fine. In terms of the responses from you and Sarah, please be quite brief. You touched on the fact that you have very big boots to fill. You touched on social rent and building new homes. Yes, it is fair to say there is a housing crisis. Would you say that we are also in a crisis in terms of temporary accommodation and homelessness? In your homelessness support announcement in October, you said, "Growing numbers of people have been abandoned to sleep rough on the streets and children left in squalid, overcrowded conditions. This Government will not stand idly by and allow that to continue. We will make different choices".

Secretary of State, you will be aware of the report yesterday from Crisis and Heriot-Watt University, which found a significant increase in homelessness, especially among people leaving prison. They are saying that that is a result of the reduction in the grant of asylum accommodation. We do not doubt your ambition in terms of making sure that this is a key area that you focus on, Secretary of State. Do you feel that your work is, in a sense, being hampered by the policies being led by the Home Office and the Ministry of Justice?

Steve Reed: No, I do not. The whole of Government has to work together. I do not see the different Departments as competing with each other. I see them as trying to work in concert to get the outcomes that we want. That is what the Prime Minister meant by a mission-led Government.

You are right to point to the crisis that we have with homelessness. Rough sleeping doubled over the full 14-year term of the previous Government. That is people shivering in shop doorways, sleeping under bridges and sleeping in tents in parks, as we see now. It is also—this is less visible to the public but just as damaging to those affected by it—



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families in temporary accommodation. The numbers doubled over the course of the previous Government.

We have inherited that crisis. Our responsibility is to solve it. The approaches that we will take towards doing that are increasing the supply of housing, particularly housing at social rent. Of the £39 billion that is available in the social and affordable homes programme, 60% will be for homes at social rent. That will make a difference, but it will not be a quick difference. We have to get the developments happening; we have to get the investment into the social element of that.

We have also increased the budget for homelessness to £1 billion. That is intended to focus on prevention, so preventing people going into homelessness, but some of it is also supporting councils to deal with the increase that they are having to manage with temporary accommodation. Last month, we identified and allocated an additional £84 million to tackle homelessness. The winter is coming up. That is always a time when homelessness becomes more damaging to the people who are affected by it.

The Renters' Rights Act got Royal Assent a couple of weeks ago. We are due to publish the roadmap for bringing that into force, but banning no-fault evictions will close down one of the most significant routes into homelessness that people face, which is when they are thrown out, with no notice and for no good reason, of the home that they were renting. There are a lot of causes. We are starting to put in the investment and we are starting to change the law to tackle the problem.

There are many contributing factors, including, as you say, people leaving prison. The Ministry of Justice will be looking—we have a broken probation system—at how much better support can be given to offenders who are leaving prisons. They do not always have the accommodation packages that they need. It is well known that among people sleeping rough mental ill health is very prevalent. People leaving care and former army veterans are far too prevalent in those groups as well. We need to be working with all parts of Government to prevent the causes of that homelessness. In my Department, we are putting in the funding and we are changing the legislation to make sure that we can start to get a grip on this crisis and bring those numbers down.

Q5 Chair: Many people welcome the changes from the Government in terms of no-fault evictions, but a key driver of people losing the safe and secure roof over their head is when they cannot afford the rent. Over 40 different groups from the housing sector wrote to you, urging you to look at the local housing allowance. Many people cannot afford to live locally. Is this something that you have been discussing with colleagues? Have there been any additional representations on that?

Steve Reed: Yes, absolutely. This has been a cause of concern in local government for a very long time. While you would not expect me to and I cannot disclose the details of conversations that I have been having in



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the run-up to the Budget, I will happily share that the way that the local housing allowance works is an issue that we will be discussing with both DWP and the Treasury. It is certainly one of the causes driving, particularly in London, the higher rates of families in temporary accommodation.

That is something that we wish to reduce, not just because of the costs it places on the local authorities that are having to deal with it but also because of the huge damage it does, particularly to kids growing up. It is not temporary. It is called temporary. It is not supposed to be a circumstance that families are in for more than 13 weeks. I have constituents who have been living for years in temporary accommodation.

When you have the parents sleeping on the sofa, the kids sharing a bed and a single-ring cooker in the room where the family sleeps, that has an impact on a child's development, wellbeing and emotional wellbeing. As they get older, it affects their ability to do homework. It is so damaging and debilitating to people's lives. Those are the reasons that we are trying to address it, including through looking at the operation of the LHA.

Q6 Chair: It is good to hear that there are discussions happening. This is something that we as a Committee have been asking for for a while. Many others across the sector have also been asking for this, including many charities and local authorities.

Thank you, Secretary of State and the Permanent Secretary, for your responses to our letters. We note that we seem to get responses just before Ministers come. They are quite timely replies. In your response, you stated that you will still be chairing the Inter-Ministerial Group on Homelessness and Rough Sleeping.

Steve Reed: I am due to chair my first one in a couple of weeks' time. I hope you saw that it was a good signal that we have injected an additional £84 million since I came into the role.

Q7 Chair: That is good. Will there finally be a homelessness strategy? It was due to be published, but we still have not heard anything around that.

Steve Reed: That is right. That is what we are working towards, but, with a new Secretary of State and new Ministers coming into post, we need to take time to look at where we are and make sure that we are happy.

Q8 Chair: Are there any rough timelines for when we could see the strategy?

Steve Reed: We are doing it at pace. We will do it as quickly as we can. As a signal of the fact that we are not dragging our feet, the additional £84 million that we have put into this service shows that we treat this as a priority, as we should.

Q9 Chris Curtis: You talked at the start about the 1.5 million homes that we



committed to build at the last general election over the course of this Parliament. Obviously, the numbers in the first year are not looking particularly great. If anything, they are down a bit. All of us accept that the legislation and the things that we are pushing through are going to lead, hopefully, to an upturn over the course of this Parliament. Has there been any reflection on why we think the numbers have dropped in the first year and what we need to be doing to address it?

Steve Reed: The reason that the numbers are low is the same reason that the numbers have been low for the last three years.

Chris Curtis: They are down.

Steve Reed: In 2023-24, housebuilding fell off a cliff. It had been at a more reasonable level up until that point. A combination of factors made housebuilding less viable for developers: the rising costs of energy; the increasing cost of labour; the increasing cost of materials, including steel and cement; and the energy price rises had an impact as part of the cost of living on buyers and what they were prepared to pay. It became much less viable for developers to build homes.

That was exacerbated by the previous Government scrapping the housebuilding targets. That was a mistake because there was no incentive for councils to do what they could in their own areas to get housebuilding to speed up.

This Government is looking at how we can accelerate the market, bring confidence back into the market and get housebuilding off the ramp again. The Planning and Infrastructure Bill is a key measure that will simplify the planning system, shorten the amount of time it takes for an application to gain consent and get spades in the ground, and reduce the number of legal challenges that can be put in the way of a development. During my time as leader of Lambeth, one individual was able to block the development of the Shell Centre for three years at a cost of tens of millions of pounds and delay that investment in the local economy and the benefits the council got from that, including extra care homes for older people. Is it right one individual should be able to delay a scheme for that long and at that cost? No, it is not. We are bringing in these reforms that will simplify the planning system.

We announced reforms to the national planning policy framework last December. I will be making further announcements this December designed to further simplify the system, including looking at diversification in areas, for example, around train stations, where there are obvious opportunities for development with transport infrastructure already being in place. I announced a few weeks ago the stimulus package for London, together with the Mayor of London. The situation is particularly bad in the capital. Ten boroughs out of 30-odd had no starts at all last year.

Q10 **Chris Curtis:** This is the point that I wanted to get to with the question,



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though. The numbers are down, but they are not down uniformly. Most of the drop has been because of London. Why has it been such a disaster for housebuilding in London over the last year?

Steve Reed: Costs and prices are higher in London.

Chair: It is not just the targets.

Q11 **Chris Curtis:** It is the delta. It is the change. The costs have not disproportionately risen in London compared to the rest of the country over the last 12 months—

Steve Reed: I think they have, actually.

Q12 **Chris Curtis:** Why have they risen?

Steve Reed: Labour in London needs to live in London and housing costs are higher. Wages, therefore, are higher in London. Costs are higher in London.

In recognition of the effect that you are pointing to—it has slowed down more in London than it has elsewhere—I announced with Sadiq Khan, the Mayor of London, a housing package intended to stimulate the market in London. That includes looking at the proportion of affordability within new developments.

When you have 10 boroughs with no new starts at all, insisting on 35% affordability within those zero schemes is meaningless because 35% of nothing is nothing. I want to see some units coming through at affordable rates. We are looking at how we can reduce the cost of development in order to get development in the capital working. We have temporarily reduced affordability down to 20% with a clawback mechanism. If the market recovers, we can claw back any profits in excess of those anticipated by developers and reinvest that money back into social and affordable housing. Having 20% of something is better than having 35% of nothing. If it works and stimulates the market, we can claw back that additional profit and plough that into housebuilding as well.

There are other aspects of cost that we are taking out in order to get housing moving. We are changing some of the design requirements, including dual aspect. I am sure someone living under a bridge would rather live in a flat with windows on one side than stay living under a bridge because the cost of putting dual aspect into a building raises the build cost by 30%. I would rather have that person living in a home. We are increasing the number of units you can have around the core as well, which will make schemes more viable. There is some flexibility around the use of CIL, including using more of it to provide additional social and affordable.

The expectation and hope is that this stimulus will be enough to get the housing market in London moving, which will drive wider aspects of the economy other than the housing market in the capital.



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- Q13 Chris Curtis:** One thing that you did not mention, which is the thing that developers probably mention most, is the pretty appalling hold-ups and delays from the Building Safety Regulator. As far as I can tell, it is one of the most incompetent organisations in the country. It is almost entirely refusing to find ways of signing things off or working with people who are trying to build.

All of us around this table agree with the importance, post Grenfell, of the Government responding to that tragedy and ensuring such a thing did not happen again, but one of the consequences of nearly stopping housebuilding in London is that it increases the chances of something happening again because you have more people stuck in outdated and dangerous accommodation. It is important we get this right.

There is some level of cynicism towards the idea that the tweaks we have tried to make to the Building Safety Regulator are going to be enough to make a substantial difference. Is the Department looking at going further with reforms to ensure that we can look at reforming the Building Safety Regulator and perhaps in the future the Building Safety Act so it is fit for purpose?

Steve Reed: Yes, you have zoomed in on one of the biggest problems that we have had so far. Since coming into post I have spoken with developers and the GLA. We have been consulting widely on the London stimulus package. The performance of the BSR is raised by all of them as a major problem.

My predecessor appointed Andy Rowe as the new chair. You could not have a figure with more credibility in the building safety space than Andy Rowe. He was leading the fire teams on site at Grenfell on the night of that horrific tragedy. Andy has come in from heading the London Fire Brigade to the Building Safety Regulator. He is putting in place reforms.

I will ask the Permanent Secretary to come in on some of the detail of that because she will know it better than I do. There are more staff in the BSR processing cases now. Andy—I meet with him regularly and so do my relevant Ministers—assures me that the bottleneck will be cleared by the new year and the organisation will then be running at a rate that is far more predictable and acceptable to developers.

- Q14 Chris Curtis:** If it is not cleared by the new year and we are not running to standard timelines, are we going to then be coming back and looking at further changes?

Steve Reed: I have huge confidence in Andy. I want to give him his time to deal with the issues on the ground. I asked him directly, "Is the problem the legislation and the regulation around building safety?" and he said to me, "No, the issues are much more cultural. They are to do with the Building Safety Regulator and the way that it is operating".

We have taken it out of the HSE. It is coming as an ALB into my Department, so we have closer ministerial oversight over what it is doing.



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Andy is taking action with his staff in the organisation to make sure that they are focused on getting determinations out as quickly as they can. He is looking at whether a different methodology that would still comply with legislation and regulation could allow decision making and the determination of applications to happen more quickly. I am very interested in the work that he is doing on that. I am sure you will be too. I will be following up with him, as I am sure the Committee may wish to.

I have confidence in the work that Andy is doing. We will see in pretty short order how far he is able to get on his own targets.

Q15 Chris Curtis: We have heard lots of speculation about a second Planning and Infrastructure Bill. Are you now working to the assumption that there will be a second Planning and Infrastructure Bill or something like that?

Steve Reed: I have read the same reports in the newspapers that you will have read. The truth is that we have not put any pitches in yet for what would be in a future King's Speech. No decisions have been taken.

Q16 Chris Curtis: I will ask the question slightly more vaguely then. Is there anything missing from the first Planning and Infrastructure Bill that ideally you would wish in hindsight had been in there and that you might want to put into a second Planning and Infrastructure Bill?

Steve Reed: It links back somewhat to my previous role as Environment Secretary. I invited Dan Corry to come into DEFRA and look at environmental regulation and environmental regulators. Where it was possible to make reforms that would speed up consenting without legislation, we did that. There were some areas that he pointed to where legislation would be beneficial. That is no longer within my remit.

Q17 Chris Curtis: What bothers me on this is that we have made a commitment as a Government, for example, to get planning permission for Heathrow by the end of this Parliament. Nobody thinks that is possible under the current legislation. Unless you disagree, you either have to change the legislation or accept that we cannot get planning permission for Heathrow in this Parliament.

Steve Reed: I am going to bring in the Permanent Secretary in a moment, but on environmental regulation Dan Corry's report, which I am sure the Committee has seen, set out some areas where he thinks further legislative change would be beneficial. That would not just be a decision for me. It would be the Environment Secretary who would lead on that.

Dame Sarah Healey: I know you want me to be quick, so I will not go through all the different changes that we have made, which Steve referenced, to the Building Safety Regulator in terms of increasing capacity, speeding up, creating multidisciplinary teams to deal with applications more quickly and having a stronger communication process with developers to make sure that the applications are better when they first come into the regulator and that improvements can be made. As Steve set out, we are absolutely determined to give Andy all the support



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that he needs to try to make this work faster. We will see those improvements by the end of the year.

On nationally significant infrastructure projects, the Planning and Infrastructure Bill, as is, does quite a lot to change that regime and speed it up. Clearly, as Government and as a Government Department, we will always advise Ministers if we identify areas where we think the law could be changed in order to improve things. Equally, as Steve says, because of the speed of legislation, we will also always be as creative as possible in looking at changes and ways that we can speed things up without the use of legislation.

Q18 **Chair:** Just to clarify, Secretary of State, you cannot rule out new legislation.

Steve Reed: I am not ruling it in or out at the moment because we are still having the conversations, but it is not entirely up to me.

Q19 **Sean Woodcock:** Secretary of State, you mentioned housing targets, the Government bringing them back and changes to the NPPF. As a consequence of that, there has been an uplift in the number of homes that many councils have been required to bring forward through their local plans. As Secretary of State, you will also know that a big complaint you get when asking councils to build more homes is, "What about the infrastructure?" That is particularly pronounced in rural areas, where it is not just school places, hospitals and GP services. It is also more fundamental things that affect whether the house can actually be built, such as connection to the grid, how it is going to be heated, water supply, flood management, et cetera.

With your feet under the desk now and with your previous experience as Environment Secretary, have you had any thoughts as to how the Government can address the clear need to bring about housebuilding in rural areas with all the issues that I have set out?

Steve Reed: Yes, all of that is right. It is very important to have housing targets for local authorities across the country, if we are going to meet our own target. We should be making it easier for councils to meet those targets. The changes in planning are intended to achieve that. We also have 21 major infrastructure projects agreed over this Parliament so far, which is a record for this period of time. Clearly, some of that push is already starting to show benefits.

Where new housing is being put in, it needs the infrastructure to support it. My Department will make available funding to support new homes that delivers, for instance, new roads, new roundabouts and new traffic junctions, so that traffic and people can get to the places where the new homes will be. That applies particularly to rural areas. In an urban area, there might already be more of that infrastructure in place. It includes schools, GPs and all the other public services that we need to see.



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Some of the funding to make those new developments feasible and viable comes from my Department. Some of it will come from the developments themselves. They will make their own contributions through schemes such as CIL or section 106. Tax increment funding can be used for that purpose as well. That is all to make sure that the infrastructure is there to support the housing.

Q20 Sean Woodcock: If I may, school places and things like that are welcome, but some of the homes that are being demanded of local authorities in rural areas will not come forward without very quick and direct investment in the national grid and how water gets supplied to them. What conversations is your Department having with DESNZ and other Departments to ensure that this happens, if we want to bring these homes forward in areas where that infrastructure is just not there? It is all well and good to demand that the developer provides school places, but, if there is no connection to the grid or no way of heating a property, you are not going to get the homes built.

Steve Reed: That is absolutely right. The relevant Departments need to make sure they are prioritising the infrastructure investment to allow those schemes to go ahead. When I was at DEFRA, we set up a water infrastructure board, which has representation from other Departments. The intention is to make sure that the £104 billion we secured for investment in upgrading water infrastructure can be prioritised in those areas where we are going to get the biggest bang for economic growth.

Cambridge is one area that has been prioritised. That is a major development opportunity area. A lack of clean drinking water infrastructure was holding back development. Around Oxford it was a lack of sewerage infrastructure. With that £104 billion, the funding is available. We needed a mechanism to make sure that the economic opportunities were prioritised. That is where the infrastructure investment went first.

A similar methodology would operate with DESNZ to make sure that we have the energy infrastructure. Where you have facilities such as data centres, which will be very high users of both energy and water, it is essential to have those guarantees up front, if you want to bring in the investment. Again, we are working cross-government to make sure that the priorities are aligned around the major economic opportunity areas so that they can go ahead as quickly as possible.

By doing that, we can create the new jobs that will put higher wages in people's pockets and generate the revenues to the Exchequer that will pay for the public services that we all want to support. It is a government-wide mission to make sure that it operates in that way.

Q21 Andrew Cooper: Secretary of State, what you are describing there is all well and good for large-scale developments such as data centres or the OxCam corridor. I completely understand that, but what my colleague was referring to is the genuine frustration that people feel in communities



that infrastructure is always a long way down the road. What you have described, with respect to the funding being provided through Homes England to unlock development and section 106, is very much the status quo. That is what the picture has been for delivering new developments for a long time now. Are you saying that your Department is going to be following the same approach as the previous Government with respect to delivering new infrastructure on the 99% of estates that people come into contact with across the country?

Steve Reed: No. We have hugely increased the resources that are available for doing this. In water, for instance, £104 billion is the single biggest investment in our water infrastructure in the country's history. That is going to make it possible to get those developments up and running far more quickly. The £39 billion that is available through the social and affordable homes programme is the highest amount in a generation. That is going to make it possible to get more homes built more quickly in all the areas where we need them. It is kind of the polar opposite of what the previous Government were doing, which was sitting back and allowing the country to fall slowly into decline.

We are ramping up the investment, particularly in those areas where it is going to generate economic benefit. It is only by doing that that you can secure benefits for the future in terms of jobs, employment, wages and the infrastructure that will bring in the jobs of the future.

Q22 **Mr Forster:** As the MP for Woking, housing is the top issue in my inbox. As a Select Committee, we looked at the impact that living in temporary accommodation is having on children. In the last five years, poor-quality accommodation was named on the death certificate of 74 children, 58 of whom were under the age of one. We need more housing. Poor-quality housing and a lack of housing is killing some of the next generation. The Government need to do more, and you know that.

When the Government came into office on 4 July 2024, they promised that a long-term housing strategy would be published "in the coming months". It is 11 November 2025 and we have still not had any sign of it. When will we have the strategy that will deliver the homes we need?

Steve Reed: That is a really good question. I have seen similar things in my constituency to what you have experienced in yours. There was a "Panorama" programme on the appalling quality of some temporary accommodation in Croydon, in part of my constituency, which had cockroaches running around, rats and mice in the property, and nowhere outside for the kids to go and play. That is absolutely unacceptable. That was some years ago now. It is essential for this Government coming in to start to address some of those problems.

We had the appalling case of Awaab Ishak, who died as a result of dangerous levels of damp and mould in the accommodation that his family were living in. The frequent complaints that his parents made to their social landlord were ignored and tragically, in the end, Awaab died.



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Awaab's law came into force a couple of weeks ago. I have been to visit families who will benefit from that. They can expect redress within 24 hours, if they are reporting seriously dangerous conditions of that kind in social housing. We intend to roll that out to people living in private rented accommodation as well.

We are starting to make progress in those areas. There is a new decent homes standard and a minimum energy efficiency standard that is being brought into homes. That will give both tenants and landlords greater clarity around the expectations. In terms of the longer-term housing strategy, we are still working on that.

Q23 **Chair:** Is there a draft ready, Secretary of State?

Steve Reed: Because we have had a change of Ministers, we need to make sure that it is something that we are going to be fully comfortable with when it comes out. We will get it out as soon as we can.

Q24 **Chair:** You are working on something.

Steve Reed: We are working on it currently, yes. We want to get it to you as soon as we can. I am a bit wary of giving you a date now in case the date that I give you is wrong. We can correspond afterwards, perhaps, and I can give you more certainty around that.

Q25 **Mr Forster:** Steve, the previous Secretary of State and the Housing Minister said we would get it by Christmas. We were almost promised that it would not be on Christmas Eve, which is the normal housing local government announcement. You are now saying that you have not promised by Christmas. Why is the changeover in Ministers resulting in such a delay, whether it is the housing strategy or the homeless strategy?

Steve Reed: If there is any delay, it will be absolutely minimal. I do not want to make commitments to you and then give you a report that I am not fully comfortable with. We are talking weeks, if anything. If I can meet that deadline, then I will meet that deadline.

Q26 **Mr Forster:** We have had assurances that we will get the homeless strategy and the housing strategy by Christmas. You are now saying that the difference might be weeks. Are we saying that by the end of January we should have those strategies that we can judge you on?

Steve Reed: I am wary of giving you a hard date now, but my intention would be for it to be before that, yes.

Chair: That is something we can follow up after our meeting in terms of timelines.

Q27 **Sean Woodcock:** On planning, in March Minister Pennycook announced a consultation on statutory consultees that will be coming in the spring, but it has not yet been published. Could you explain?



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Steve Reed: Yes, you are right. We still intend to publish that shortly. That will be this side of Christmas. You will have that very soon.

Q28 **Sean Woodcock:** Are you prepared to give a timeline on that?

Steve Reed: Yes, that one will be before Christmas.

Q29 **Chair:** That is definitely before Christmas.

Steve Reed: Yes, I have seen an advanced draft of that one. I know it is close. For that one, I can give a timeline. I want to avoid giving you commitments at this table that I then cannot meet. I am going to be as honest and transparent as I can be.

Sean Woodcock: On that one you are confident.

Steve Reed: That one I have seen. It is in a very advanced state. We can do that one before Christmas. Sarah, did you want to come in? Is there some additional work on this?

Dame Sarah Healey: Yes, I was just going to say that the Minister for Housing and Planning set out that we would be consulting on the removal of statutory consultees. We have also been working very hard with the current statutory consultees on reducing the volume of applications that they are dealing with and improving their processes so that even where statutory consultees stay in place, they would be working more quickly and more effectively in order to slow down delays to planning.

We will be publishing very shortly a consultation setting out plans both to reduce volumes and to remove statutory consultees. It is going to be both together in order to provide a coherent and comprehensive picture of the approach on statutory consultees for the future.

Q30 **Chair:** Just to clarify the dates, will that be after Christmas or before? You have just launched the changes in London targets.

Dame Sarah Healey: The consultation on statutory consultees, as Steve said, will be very soon. It will be before Christmas.

Q31 **Chair:** We are having a lot of consultations from MHCLG right before Christmas, when many people will be away and inboxes will not be monitored.

Dame Sarah Healey: It will not necessarily be that close to Christmas. You are correct that the local government finance settlement tends to be the last day before recess. I remember this from when I used to run school funding. It meant a big rush after that to get everything done. I completely understand that that can be quite frustrating. In this instance, we would not be expecting that to run up that close to Christmas at all.

Q32 **Sean Woodcock:** Secretary of State, you mentioned the default yes to planning applications near railway stations. When the Chancellor announced that, were you made aware of it beforehand?



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Steve Reed: Yes.

Dame Sarah Healey: It was under your predecessor as well.

Steve Reed: It was under my predecessor, yes.

Dame Sarah Healey: It was initially flagged when the Deputy Prime Minister was the Secretary of State and has obviously been reiterated.

Steve Reed: I was aware of it even in my old job.

Dame Sarah Healey: Yes. We have been working on those plans.

Steve Reed: We do speak to each other. There are environmental regulations that are applicable in those areas as well as other regulations. Stations are such an interesting opportunity for development because you do not have to fund the cost of public transport to those areas. It is already there. Very often, they are relatively underdeveloped. The land around a station is not usually good quality. It genuinely is grey belt. The Government have said we wanted to prioritise brownfield and grey belt for development. In this case, you do not have to fund the public transport infrastructure as well because it already exists.

It makes a lot of good sense to most people that those are very interesting areas to look at. I am due to make a speech, hopefully within a couple of weeks, where I will talk further about what we intend to do to turn what the Chancellor said into a reality.

Q33 **Sean Woodcock:** The last one from me is on the new national development management policies. Will they be on a statutory or non-statutory footing? Have you decided on that yet?

Steve Reed: They will be non-statutory. In the speech that I just referred to, I will also be covering what we are going to do around NDMPs. Part of that will be what you do around railway stations, but there are other opportunities where we can help to get development moving more quickly.

If we are going to meet the 1.5 million target, we have to take advantage of the opportunities that present themselves to get housebuilding and economic growth happening as quickly as we can.

Q34 **Mr Dillon:** When you are looking at those types of sites around a railway station, will you look to mandate construction methods—off-site or modular construction—because the build-out rates are so much quicker?

Steve Reed: We would certainly want to look at that. I am not sure about mandating because there will be different schemes and applications coming forward and they will all be of a different nature. It is very difficult to say, hard and fast, that they will all apply a particular construction method. Where that is feasible, where it can make the construction happen more quickly and at lower cost, why would we not want to see more of that?



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If we want to keep that sector viable in the country, the thing that it needs above all else is a pipeline, a future programme. We will be making announcements that will make that more possible.

Mr Mohindra: Secretary of State, apologies for being late. I was stuck in the Chamber.

Steve Reed: Yes, I saw you in the corridor.

Q35 **Mr Mohindra:** You have signed off on London having a low affordable housing target. Is that your intention throughout the country?

Steve Reed: London had specific challenges. The London package was designed to address them. That came from the conversations that I conducted with developers, the GLA and housing organisations. It was very difficult to see how you could make schemes viable in London without temporarily lowering affordability. Perversely and counterintuitively, doing that means you get more development and therefore more social and affordable housing units than with the higher proportion that was being requested. It is the volume of units right now that we need to provide in order to address the housing crisis that we have in all parts of the London economy.

Looking nationally, the circumstances are somewhat different. There are other parts of the UK where housebuilding is growing apace. Leeds, for instance, is doing really well at the moment. We do not need to apply the London approach to the rest of the country. The speech that I will be doing in a couple of weeks' time will look at how much further we can go on NDMPs, train stations and elsewhere to get housebuilding moving, but not necessarily affordability.

Q36 **Chair:** Just to be clear on NDMPs, they are just going to be guidance. They will not be used to override local plans.

Steve Reed: That is right.

Dame Sarah Healey: The announcement that is going to come will be coming shortly. The steer is that it is likely to be a non-statutory approach because of the flexibility that it adopts. We will be doing all that in a package with the new national planning policy framework.

Q37 **Chair:** All of that will be consulted on, as you said, later this year.

Steve Reed: Yes.

Q38 **Chris Curtis:** I would like to tie together two things that you said in the planning reform section. First, you talked about trying to make consultees behave in a more rational and responsive way; secondly, you talked about building around train stations. We have a really good example of this. Natural England has blocked building around Ebbsfleet because it has broadly made up nature that does not exist on that site. Most experts agree that is true. Can you sit there and be confident that, because of your changes on both of those—building around train stations



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and changes to natural consultees—that blockage will get moved out of the way and by the end of this Parliament there will be building around Ebbsfleet station?

Steve Reed: I am going to refer back to my answer to a previous question. Looking at the environmental regulators is primarily the role of DEFRA. Dan Corry's report is what I commissioned when I was in that role and what I was following. I know my successor has taken that up. Dan Corry is now a member of her departmental board. They are looking at the best way to take forward the further recommendations.

Q39 **Chris Curtis:** What level of confidence do you have in that? It is a bit embarrassing for the country. We have this massive site—

Steve Reed: I am a bit wary, Chris, of pre-empting announcements that are properly those of my successor in DEFRA.

Q40 **Chris Curtis:** On new towns, the announcement that came out implied that we were only going to get three locations started during this Parliament. I am sure there is an ambition for more, but why at this stage are we only confident that we will be able to get started on three?

Steve Reed: The taskforce completed its work and identified 12 potential sites to proceed as locations for new towns. Of those that the taskforce identified, there were three that looked the most promising. We are now going ahead with the strategic environmental assessment on all those sites. I can make more detailed announcements in the spring on the basis of that. Until I can do that, I cannot tell you for sure how many we will be progressing with in this Parliament or which ones with certainty. We have to allow that process to go through. We want work to begin on at least three of them within this Parliament, but we are progressing work on all 12. In the spring, I will have more information that will allow me to answer your question better.

Q41 **Chris Curtis:** Can you give us an indication of what it will mean in practice to be a new town? As an example, Homes England has not sent out any indication so far that it is going to give preferential funding to new towns programmes or things like that. If these sites do get moved forward, what is it going to mean in practice for the locations that you decide to move forward with?

Dame Sarah Healey: The New Towns Taskforce report sets out a really ambitious plan for what a new town should be and for all those issues to do with infrastructure to be planned into them.

The intention here is to put together sets of land. We have a joint new towns unit between the Department and Homes England, which is working in a more innovative way between policy and delivery, the whole way through.

Q42 **Chris Curtis:** What does "innovative way" mean?



Dame Sarah Healey: Generally, we do policy and they do delivery. On new towns, you have to do it in a totally joined-up way. You cannot separate out the two. We have joint teams working alongside each other to make sure that we are putting in place all the policy plans that are needed for new towns at the same time as planning the delivery. They are likely to need a degree of up-front funding. There is always a question about what exactly the delivery model is for a new town. Do you have devcos in every area? What kinds of devcos do you have?

Q43 **Chair:** Have they been identified, Sarah?

Dame Sarah Healey: It is part of our process, following the spending review settlement, to identify all of that. Most new towns, as you know from the taskforce's report, are not necessarily completely greenfield new towns. In some cases, they are more greenfield than others. Others are urban regenerations that are already in train, which we just want to support through the new towns programme. They take different forms, depending on where they are and how far advanced the plans for delivering them already are.

The purpose of making them part of that new towns programme is to ensure that we, as the Department and, indeed, the whole of Government, are focused on this. This is a really good example of where the joined-up approach between Government Departments is working effectively. I will be chairing a new towns board with senior representatives from a series of other Government Departments. That will be critical to making a success of new towns. Every Department that is relevant to this has identified one senior official who is the link point on new towns to make sure that priority is given to all the attached infrastructure, social and physical, that needs to be in place to make new towns a success.

We should not underestimate the amount of work it takes to make a new town a success and to do it in a way that does not experience the issues that previous attempts at new towns have experienced in the past. We have said there are three that we think are most promising to get spades in the ground as quickly as possible. Clearly, we would like to move faster with others, but we do not want to do that at the expense of the really high-quality vision for new towns that the taskforce set out.

Q44 **Chris Curtis:** You touched on delivery mechanisms. Is there a view from the Department on delivery mechanisms? Is it going to be a case-by-case basis?

Dame Sarah Healey: It will be a case-by-case basis, as is appropriate.

Q45 **Chris Curtis:** Is there an ideal that you would want for some?

Dame Sarah Healey: A case-by-case basis implies that there is not a single ideal. That is the approach that we are going to take because it is the pragmatic approach.



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Q46 **Chris Curtis:** You are very open-minded towards development corporations in some cases.

Dame Sarah Healey: I am a big fan of development corporations, but equally it can take some time to set them up. Sometimes there can be alternatives that work equally well.

Q47 **Chris Curtis:** Just on that point, what is the expectation for the Department of the average length of time it would take to set up a development corporation?

Dame Sarah Healey: That is a length of a piece of string sort of question. It slightly depends on which kind of development corporation because there are lots of different sorts.

Q48 **Chris Curtis:** If you were to move forward with Tempsford, say, which is one we want to get done by the time of the next election, and you did make the decision as a Department—it is a greenfield site; I do not know why you would not—that a development corporation is the ideal standard, you are confident that you would be able to get a development corporation set up there before the next general election.

Dame Sarah Healey: It will most likely be before the next general election, especially if we want to actually get going on building.

Q49 **Chris Curtis:** Yes. I am asking because I can see the cynicism. I have two points. There is one thing that has been implied but not confirmed by the Department. Originally, this was all going to be on top of local authorities' housing targets. For a range of reasons, I assume that is not always going to be the case. If you take mine, for example, it pretty much covers the whole local authority area. It would be mathematically impossible for us to hit our housing target if we were designated as a new town in the final list. Is there going to be a flexible approach to new town targets going forwards?

Secondly, Steve, we have seen Cheshire Council come out against the new town project in Adlington, for example. Do you have a message that you want to put across to it in response to its opposition?

Steve Reed: On your first point, we want to make sure that we have an approach to housing targets that is consistent and fair. We know we need to engage with local authorities, including Milton Keynes, to make sure that we are working with what is feasible, what they want to achieve and what the community's aspirations are for the area. We will work that one through and we will come back with proposals.

The taskforce has made recommendations. That is as far as it has gone. With the taskforce, we have identified three that look the most promising. Work is progressing on them, but we will, quite properly, go out and engage with local communities and local authorities to hear their views and share with them our aspirations for what these new towns can offer.



This is the chance for our generation to do what previous generations have done. In the inter-war period, we had the garden cities. In the post-war period we had new towns, including Milton Keynes, which you represent. This is this generation's opportunity to start to explore what towns of the future could be like.

The taskforce itself was exploring ideas such as what a new town where it was possible to age as well as possible would look like, or what an AI-enabled new town would look like. There are such opportunities in front of us. The Government are not going to come up with those on their own. We have to engage with communities, local authorities and other stakeholders, but this is the chance of a generation. What I would say to people in the area that you are mentioning or any of the others is, "Let us open our minds and see what is possible, because we can dream the future and make it real".

Dame Sarah Healey: Can I just add one really small point to that? Steve is absolutely right. We want to work with areas on a case-by-case basis on housing target interaction, but we are also really keen that people do not slow down developing local plans in the areas identified for new towns where they have them under development, but do work with us on what that means in practice.

Q50 Sean Woodcock: I should declare that part of one of the 12 new towns is in my constituency, Heyford. It is one of the 12 but not one of the three indicated as favourites. My question is on the status of the other nine, particularly as there will be people who may be disappointed not to be one of the three or anxious as to what this means and whether that opens it up to speculative development and all sorts of things.

I just wondered whether you could comment on the state of the other nine that are not preferred. Is it the case that they are on the list but it is not really likely that they will be taken forward or are they serious propositions? Could you comment on that?

Steve Reed: We are progressing work on all 12 sites that were identified. It may be that there could be more. There were other areas where local leaders were very keen to promote the idea of a new town and they were not recommended in the 12 that the taskforce identified, but that does not mean that nothing is possible in those localities either. We are working with some of those local leaders to see what is possible and understand the aspirations that their local communities have for potential development as new towns or in other ways.

On the 12, work is progressing on all of them. We have not predetermined which ones will go ahead first. We have merely identified three that look the most promising. All of it is subject to the strategic environmental assessment work and viability work that will happen between now and the spring, when I can make clearer announcements about where we are heading with them.



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Q51 Lewis Cocking: First, I just want to say that it is a sweeping statement to say that the housing targets across the country are fair and consistent. That is not a statement that I agree with.

I wanted to ask about new towns. When you do a local plan, you have a duty to co-operate with your near neighbours. There is a new town in Enfield, which is just over the border of my constituency. What local engagement did you carry out on these new towns with the authorities that are next door?

Steve Reed: On your point about housing targets, it is better to have housing targets than, like the previous Government, no housing targets. That is one of the reasons we are facing a housing crisis across the whole country. It is why temporary accommodation doubled; it is why rough sleeping doubled; it is why young people cannot make their dream of a home to own come true. I would much rather have housing targets and engage in a conversation than tell local authorities not to bother, which is what the previous Government did.

The taskforce was engaging with areas around the new towns programme. The taskforce has made its recommendations. We are now continuing to work and engaging those local areas that have been identified as the priority areas. That will involve engaging the local authorities and other stakeholders. They can engage their local communities. As part of the process of determining where it is possible to go forward, all that feedback will be brought to bear.

Q52 Lewis Cocking: For the new town at Crews Hill and right next door at Chase Park, my local authority was not consulted even though we border it.

Dame Sarah Healey: I could not tell you the specifics of who was consulted in all the areas. The taskforce did quite a considerable amount of local community engagement. It may not have specifically consulted with that neighbouring authority.

Lewis Cocking: There was no engagement.

Dame Sarah Healey: Now the taskforce has identified those areas, it is for the new towns team in my Department to engage with all interested stakeholders, which includes the local authority and, as interested stakeholders, those nearby.

Q53 Lewis Cocking: You have made your decision. Then you are going to consult.

Dame Sarah Healey: The taskforce recommended 12 places. The Government have accepted the taskforce's report in principle. It will publish a full response. It is doing substantial engagement with those local areas before it publishes that response.

Steve Reed: To be clear, we are progressing work. There are no decisions.



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Q54 **Chair:** Just before we move on to affordable homes, Sarah, you mentioned the new towns board. Are you able to share membership of that board with the committee?

Dame Sarah Healey: It is published in the report.

Q55 **Chair:** Secretary of State, just finally, it is good to see that you are looking and accepting the recommendations, including the recommendation that new towns should deliver a minimum 40% affordable housing, at least half of which should be social rent. Is that something that you are committing to?

Steve Reed: That is right.

Q56 **Chris Curtis:** That is a good segue because I want to talk about accelerating progress on building social and affordable homes. If you will indulge me, it would be helpful to start with some numbers. The last year where we have full data for completions of homes is 2023-24. The number of new homes for private sale built that year was 136,000. The number of new affordable homes was just under 63,000. Of those, just under 10,000 were for social rent. When you break that down, that is a split of 70% for private sale, around 25% for other affordable tenures and just 5% for social rent.

Secretary of State, what balance between private, other affordable tenures and homes for social rent do you want to try to strike over the rest of this Parliament?

Steve Reed: The social and affordable homes programme is £39 billion over 10 years, which is the biggest amount that has been made available for this purpose in a generation. Of those homes, 60% will be available at social rent. The other 40% will be affordable. Within that, about 30% will be shared ownership.

Dame Sarah Healey: The rest of it is fairly flexible between where the sources of funding and types of tenure come out, depending on how we can make best use of the funding and deliver what is needed.

Q57 **Andrew Lewin:** I want to build on that, because there is no doubt that that £39 billion has really been welcomed. I have talked to people in councils and housing associations who have told me that. My key question is this: how can we use some of that money to help develop the capacity of councils and housing associations to build directly? The reason I ask that question is that, if you look historically at times when we were building the homes that we needed, particularly in the early 1950s and into the 1960s, the balance was around 200,000 private and 100,000 council homes. We are a long way from that at the moment, so how do we help get there?

Dame Sarah Healey: Last week, we published the prospectus for the social and affordable homes programme. One of its key aims is to support councils to be part of the social and affordable homes programme in a way that they have not been in the past. It sets out a few interventions



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to assist with that. It sets out some flexibilities that councils can use in order to be able to better access the social and affordable homes programme.

It also flags that, for the first time, we are allowing councils to use right-to-buy receipts to build their own housing. That is specifically intended to support the idea of councils being able to build again, because, as you say, that balancing amount has not been built since councils stopped building.

It is also worth flagging that we identified within the Department's budget £12 million for a council house building capacity programme. As you will be aware, many councils, because they have not built their own housing for quite a long time, do not have very many people who have experience of it. That money has gone to support the growth of that, so that they can continue to work with us and with Homes England on taking advantage of the fact that we would like more use of the social and affordable homes programme from councils.

Q58 Andrew Lewin: That is very welcome. Just briefly, is there similar guidance for housing associations? As it stands, they build significantly more homes than councils, but I am in a position, as are most of this Committee, I suspect, where we need both to build more at scale.

Dame Sarah Healey: We work very closely with the housing associations, but it is a very different situation. While housing associations are facing some financial challenges, and have in recent years, they also have quite a substantial amount of experience and capacity in comparison to many councils in engaging with us and with Homes England on the social and affordable homes programme.

Just to build on what Steve was saying about social rent and the affordable homes programme, the new programme is intended to deliver around 180,000 homes for social rent, which is six times more than the number of grant-funded social rent homes in the decade up to 2024, so it is a significant increase. That, of course, ignores the homes that are delivered through other mechanisms, such as section 106.

Q59 Andrew Lewin: The last question from me, Chair, is on shared ownership. Colleagues will not be surprised that I come back to this subject. It is one of real interest to me. I was fortunate in that I benefited from shared ownership. It is how I got on the housing ladder. In the data that we have just been talking about for 2023-24, about 20,000 of those new homes were for shared ownership, which is quite a significant number. It is not a tenure that is universally popular. There has been a significant degree of criticism of it, but there has to be a role for low-cost home ownership.

Do you think the shared ownership model is still the right one, or are you exploring alternatives? For example, in the manifesto, there was a commitment to expanding mortgage guarantees, which I know there has



been some work on. Do you see one as preferential to the other?

Steve Reed: You have to get a mixed environment. There will always be a role for shared ownership. For some people, it is the right kind of tenure, and it gives them the chance, as it clearly gave you, to get that first foot on the housing ladder. We are looking at lifetime ISAs and mortgage guarantees as well. There are other schemes that will suit different people. The more that we can make different options available to suit different circumstances, the more likely it is that we can help people meet their own dream and aspiration to have a home of their own.

Q60 **Chair:** When we heard evidence, the Shared Owners' Network was quite critical. It said, "We do not believe that the shared ownership scheme should continue to be marketed as affordable housing" because it is based on the "ability to purchase an initial share". They were worried that there is no data to support that a shared ownership home remains an affordable form of home ownership. Is that something that the Department will be looking at, especially where we are going to be inviting new bids from the affordable homes programme?

Steve Reed: We should certainly listen to people in that organisation who have direct experience to see how we can make the shared ownership schemes work better for people. Clearly, I know people, as I am sure some of you around the table do, who have benefited from shared ownership, which enabled them to get that first foot on the home ownership ladder. For some people, it works. It does not work for everybody. We need to make sure that a product is sold only to people for whom it is appropriate, and that there are alternatives available for other people. You would always be foolish not to listen to the views expressed by an organisation that advocates for people in that circumstance.

Q61 **Mr Dillon:** The 180,000 homes that will be for social rent are about 12% of the 1.5 million target. Sarah, in your response, you said that there will be section 106 on top of that. Does the Department have a view of how many social rented homes will be built each year?

Dame Sarah Healey: No, and I know that the Committee has been keen for us to give you a number on that for some time. Because of the nature of how the social and affordable homes programme is worked out, and section 106, we do not have a year-by-year annual target.

Q62 **Mr Dillon:** Does the Department have a view on how many social homes are needed per year?

Dame Sarah Healey: No, not that I have ever seen in terms of the number needed, because that is dependent on a range of other factors.

Q63 **Mr Dillon:** Does the Secretary of State have an aspiration of how many you would like to see created each year?

Steve Reed: No. The way that we are working towards the 1.5 million target is kind of a hockey stick. We are still seeing the tail end of nothing



happening under the previous Government. The stimulus that we are putting in for London and the changes brought about by the Planning and Infrastructure Bill are not in force yet. The Bill and the stimulus package are still under consultation. We will see those work their way through. We will have to look at the impacts that those have, as well as future announcements that I will be making, such as the one on NDMPs in a couple of weeks' time, to see what impact that has, so that we can adjust it as we go along and as we work towards the 1.5 million.

Q64 Mr Dillon: I want to be clear. The rent settlement was really positive for social landlords. The affordable housing programme should be welcomed as well. Shelter has a target of 90,000 social homes a year. That is something that we should be aspiring to. I do not have the confidence that we are going to be getting there any time soon, particularly, as you said, with that tail that needs to wash through.

According to the Home Builders Federation, there are currently about 34,000 section 106 homes for social rent that have not been purchased. Sarah, you talk about extra section 106 homes being added in, but we already know that social landlords are not buying, partly because of financial resource. Some of the Government's commitments will allow them to redo their financial plans, and they might pick some more up. Part of it is around them having gas boilers and being stuck with the retrofit bills. Is the Department doing anything on those 34,000 homes in particular, if you could answer that one first?

Steve Reed: A lot of those are in London as well. I have had the registered providers into the Department, as well as the developers, to talk some of this through. There were flexibilities in the London stimulus package that would make it possible for more of those units to be bought. We want to get to a point where the developers can build with confidence, knowing that there is a registered provider that is going to take the homes. We are working backwards, where there are units that have not yet been purchased. Looking forward, we want to make sure that we do not end up in that situation again.

Dame Sarah Healey: We have been running the clearing house to try to identify places, and that has released some stalled section 106 homes. We are conscious that it continues to be a problem, and it is one that we are monitoring and considering action on very carefully.

Q65 Mr Dillon: One other way that we could help create the financial package for the delivery of social homes would be through rent convergence. Steve, have you made any representation to the Chancellor on rent convergence? In your mind, what would be a sensible level of rent convergence?

Steve Reed: I have had conversations with the Chancellor, and so have my team with the Treasury. The conclusion of that will be announced at the Budget, and it would be wrong of me to anticipate that.

Q66 Mr Dillon: I asked what your view was on a level of rent convergence—



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so £1 a week, £2 a week, £3 a week?

Steve Reed: Unfortunately, by convention, I cannot share with you the conversations that I am having with the Treasury.

Dame Sarah Healey: You will know that we published a consultation setting out some options, so we drew lots of evidence on the back of that.

Steve Reed: Clearly, there is a very powerful argument for it.

Q67 **Chair:** Just to clarify, Secretary of State and Sarah, we all appreciate the housing crisis. We all appreciate the temporary accommodation crisis. We all appreciate the crisis in homelessness. Between the Department and the Secretary of State, we do not even have an estimate of how many social homes we would like to see built in this country on a yearly basis. Is that correct?

Dame Sarah Healey: In the programme that we control, we have a target of 60% social rent, which would translate into 180,000 homes for social rent being delivered through that programme. We do not have a specific target in the 1.5 million that breaks down between different types of tenure aside from that.

Q68 **Chair:** The 180,000, just for clarity, is over 10 years.

Dame Sarah Healey: Yes.

Q69 **Chair:** Going back to my original question, there is no annual target or even just a guesstimate.

Dame Sarah Healey: As we have said to the Committee before, we do not have a specific breakdown of tenure targets in the 1.5 million overall.

Q70 **Lewis Cocking:** I just want to drill down a bit further into that, if I can. You are the Department for Housing and you are seriously telling us that you have not done any calculations on how many social homes are needed each year, let alone a target. You are the Housing Department and you are seriously telling this Committee that you have no idea how many are needed each year.

Dame Sarah Healey: We can all do analysis that shows just what an enormous gap there is between the amount of housing that we need and the amount of housing that we have. My point is that, in the 1.5 million number, we do not have a specific tenure target outside of the plans that we have in the social and affordable homes programme we run.

Q71 **Lewis Cocking:** That is shocking.

Steve Reed: It is not really. We are playing catch-up, because of what was left behind by the previous Government. There is a housing crisis, because there are not enough homes of every tenure. The previous Government had 14 years to fix that. They scrapped housebuilding targets and failed to fund the building of social and affordable homes



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sufficiently, so we have ended up with twice the number of people sleeping on the streets and twice the number of kids stuck in temporary accommodation.

Q72 Lewis Cocking: Why did you reduce the targets in London?

Steve Reed: To get more units built, because 30% of nothing is nothing.

Chair: We will move on, but just to say—

Steve Reed: The previous Government could have taken these steps three years ago and we would not be in this situation today.

Chair: Secretary of State, it is not a meeting between you and Mr Cocking. Thank you.

Steve Reed: He asked me a question.

Q73 Chair: Just to clarify for the Committee that there is not even an estimated figure that the Department and you as Secretary of State are working on as a target. We just want clarity on that.

Dame Sarah Healey: There is no tenure target broken down in the 1.5 million homes.

Chair: That is fine. We are moving on to issues around leasehold and commonhold. We understand that permission to appeal has been sought in the judicial review case concerning the 2024 Leasehold Act, and it is, therefore, sub judice. Members and witnesses should avoid referring directly to that case, and questions should be about leasehold reform more generally.

Q74 Andrew Cooper: I am going to declare at the start that the estate that I live on is a mixture of freehold and leasehold, although I, in fact, live in a freehold property. There are estate charges and service charges accordingly on that scheme. The Leasehold and Freehold Reform Act 2024 was passed in the wash-up under the last Government. We all understand that there is considerable work to do to implement it, to make commonhold the default tenure, and to regulate the property management sector and so forth. Are you now able to commit to pushing ahead with ending leasehold during this Parliament?

Steve Reed: That is what we are intending to get to. You are involved in the pre-legislative scrutiny in this Committee on the draft Leasehold and Commonhold Reform Bill that we will be publishing before the end of the year. The intention is to end new forms of leasehold within this Parliament.

Q75 Andrew Cooper: Are you confident that the timeline allows for implementation during this Parliament, despite any potential legal cases that may occur?



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Steve Reed: It is our intention to do it. Of course, things can happen that get in the way of that. We would seek to overcome any of those obstacles, but it remains our objective to achieve that.

Q76 **Andrew Cooper:** We have talked a lot about the 1.5 million homes to be built over this Parliament. Many of those being delivered today continue to be on so-called freehold estates, where residents pay a service charge for play areas and open spaces. Many continue to be built with private roads and private sewerage systems. Despite private sewerage systems being outlawed in the Flood and Water Management Act 2010, that provision still remains unimplemented 15 years later. What action are the Government taking to support residents on freehold estates in the short term?

Steve Reed: We are consulting on wider reforms to address the concerns that residents living on freehold estates are experiencing, including unfair costs or infrastructure that should be in place but is not. That includes looking at legislative options to help overcome the challenges as we find them. That is currently subject to a consultation, so we are seeking and taking views on that, including from your Committee. Sarah, do you want to add any more to that?

Dame Sarah Healey: All I was going to say is that the Commonhold and Leasehold Reform Act was passed under the last Government. That makes it easier for leaseholders to buy the freehold of their flats, but we recognise that people continue to wait for the further legislation that we have been preparing on leasehold and commonhold, which will be, as Steve said, subject to pre-legislative scrutiny in this Committee.

Q77 **Andrew Cooper:** Specifically on the assets that are part of an estate, I am talking about the roads, sewers and play areas that, for somebody who lives on an estate that was maybe built 30 years ago, would have been adopted by the water authority or the council, or possibly the parish council, for maintaining the play area. Somebody on a new-build estate next door is paying a service charge for what looks, for all the world, like the same pieces of infrastructure. Do you have a view as to whether that is fair and whether you want to tackle it as part of these reforms?

Steve Reed: It certainly does not sound fair in the way that you have just described it there. If it is okay, I can write back to you on that. I do not have the answer with me right now, but it does not sound right to me.

Dame Sarah Healey: We did some consultation on service charge transparency and litigation costs. That closed in September. That is really focused on how we implement the provisions in the Act that was passed in the last Parliament, and we can set out our plans on all of that in a letter, as Steve says.

Q78 **Andrew Cooper:** Minister Pennycook recently committed in a Backbench Business debate to meet with FirstPort's managing director. What would



be your message to FirstPort about how it operates estate charges?

Steve Reed: I am very pleased that he is doing that. I think it is happening next week. I have spoken about this with him, because I have a constituency case that involves FirstPort as well, so I have seen, in my own patch, exactly what is going on. I am sure that Minister Pennycook will be extremely robust with FirstPort about practices that are unacceptable and the changes that we are going to take in legislation to stop what it has been doing.

Q79 Chair: It is something that comes up in all our inboxes. It is one of the managing agents that gets cited a lot, but there are many others who are acting in such unscrupulous ways as well. Just moving on, there has been some good news for the Department. The Renters' Rights Bill received Royal Assent just recently, with really big changes in the private rented sector for many renters. The reality is that more and more people will be renting when we are looking at the issues around home ownership and affordability, and the long waiting lists in social housing, especially when we do not know how many social homes we are going to be building. Secretary of State, what additional things do you need to see in terms of the next steps for implementing the Renters' Rights Act?

Steve Reed: The same week that the Act, as it is now, got Royal Assent, I met with representatives from landlords and renters to discuss the next steps, and we committed then to publishing as soon as possible a roadmap towards implementation. I hope that that will be within days now. That will give everyone greater clarity about the timetables that we are working to.

Understandably, renters want the provisions brought into force as quickly as possible, because it will give them greater security over some of the abuses that the Act will prevent from happening in future. Landlords, reasonably, want enough time to prepare to be able to act in accordance with the new requirements of the law, including changing forms and documents so that they properly reflect the new provisions of the legislation.

The conversation that my officials have been having with both sides here is, "What is the optimum timeframe to allow both of those things to happen and to bring the Act into force as quickly as we can?" The roadmap will be out within days, and we will see from that exactly what the timelines look like.

Q80 Mr Mohindra: This is probably a question for Sarah. How has housing supply changed since the Renters' Rights Bill became an Act? Are the changes as the Department expected? I am happy for you to write to me if that is easier.

Dame Sarah Healey: It has not really changed much in the last couple of weeks.

Q81 Mr Mohindra: Since the announcement of the Bill and the likelihood that



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it was going to go through with the numbers of Labour MPs in the Chamber, there was an expectation that, once Labour came to power, this Bill would go through. Has the supply of private rented accommodation been at the levels that you were expecting? From the Committee's perspective, we are trying to figure out the unintended consequences.

Dame Sarah Healey: You want to know whether it is going to have an impact on availability in the private rented sector. I do not have an answer for you on that, but I am very happy to follow up.

Steve Reed: It is fair to say that we do not expect any significant fall-off. When I have taken part in radio phone-ins, I have had people say that it is going to lead to a reduction in supply, but I have spoken to developers that are looking to develop more high-quality property available for private rent. In the end, it is not going to have an impact on supply.

Q82 **Mr Mohindra:** Let us wait for the evidence.

Steve Reed: We will wait for the evidence, but there is no reason to assume that it is going to be a problem.

Dame Sarah Healey: Clearly, there is a range of other factors at play, including tax changes and others, which will have an impact on the availability of PRS.

Mr Mohindra: We are all looking forward to the Budget.

Dame Sarah Healey: Even if there is a change, attributing the cause to the announcement of the Bill will probably be quite tricky at this stage.

Q83 **Chair:** It is good to hear that the implementation and roadmap will be within days. We had the National Residential Landlords Association at the Committee last week and it was very hopeful of having that implementation within a matter of days, so that landlords and tenants can have certainty. In terms of enforcement, local authorities are asking for more clarity around resources to be able to work on that.

Another big area is the private rented sector database, which, again, will help tenants in identifying rogue landlords. We know that the majority of landlords are good landlords. How long will landlords have to register themselves and their properties?

Steve Reed: Again, that will be in the roadmap when it comes out. It is worth saying that the landlords' representative organisations were very positive about the Act. The vast majority of landlords are decent businesspeople offering a good service to people who want to buy that service at an affordable price. We know that the private rented sector offers the least affordable, poorest-quality and most insecure housing of all tenures, but that is a minority of landlords, so they welcome these changes. I am very grateful for their support for it, but the roadmap will outline the timelines that we are working to.



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Q84 **Chair:** Just finally, Secretary of State, with the Act now in place, when will be the last date when a no-fault eviction section 21 notice will be served?

Steve Reed: That will be subject to the roadmap as well.

Dame Sarah Healey: It is subject to implementation timetables, I am afraid.

Q85 **Chair:** So people can still be served a section 21 notice today.

Dame Sarah Healey: Yes, until that part of the Act is in force.

Q86 **Chair:** How long will private tenants have to wait to be protected by Awaab's law?

Steve Reed: Private tenants?

Chair: Yes. It applies to social tenants.

Steve Reed: When will we extend Awaab's law from social to private rented? It is our intention to do that. We will do it as quickly as we can, but we are currently having to consult with all parties to make sure that everyone can understand what the requirements will be and can meet them before they are brought into force.

Q87 **Maya Ellis:** I am just going to pick up a bit on community cohesion. Even though the reality is that crime in general is going down in this country, the fact is that a lot of the unrest that has happened multiple times over the last few years has meant that community cohesion and the way that people feel in their communities is probably one of the primary concerns, certainly for a lot of my constituents. As an initial general question, what are you and your Department's plans to really prioritise this and have long-term, proactive plans? How are you going to measure whether you have done a good job and been successful by the end of this Government?

Steve Reed: Social and community cohesion are issues that have really come up the political agenda. A lot of people will describe to you that they feel that, over recent years, the country has started pulling apart. There are no hard measures for that, but we know that it is a growing feeling because people will be saying that to you on the doorstep, as they say it to me.

One way that we can evidence some of this is that seven of the 10 most deprived areas saw disorder as part of the disorder that happened in the summer of last year, so there is clearly some effect caused by deprivation and social cohesion. Some of the changes that we are making with fair funding are to ensure that funding follows deprivation in a way that, increasingly, it has not over recent years.

In particular, we have programmes such as Pride in Place, where 244 of the poorest communities in England will receive up to £20 million over 10 years to spend on whatever it is that will make people feel prouder of



their local area. Quite often, that focuses on the state of the high street and what you need to do to bring it back to life in the way that people can remember it used to be when they were younger, sometimes not that many years ago, as a place that was once vibrant and buzzing, where you could go out and meet friends, socialise and do your shopping, but which is now boarded up and covered in graffiti or fly-tipping. What used to be a wide range of shops has been replaced by bookies and what look like fake barbers. No one is quite sure what they do, because there are not many people going in there.

Pride in Place funding is being made available for local people to choose how they want to spend it through boards that will reflect and represent local people. We are also granting new powers to local authorities to restrict the number of bookies, vape shops and barbers opening up on a high street, and to take over empty retail units where, quite often, the ownership is not known. They have been bought up as part of a package by some foreign entity based in another country that may not even know that it owns them. You can take that back into ownership and use some of the funding that is available through Pride in Place.

Q88 Maya Ellis: That is all really great. You said there that local people will get to decide. We have just had the English Devolution Bill going through Parliament. There is quite a lack of detail on what local engagement will look like, particularly in terms of neighbourhood area committees. Are this Government doing enough to engage working-class communities?

In these consultations and engagements, where they happen—we have seen the despondency particularly around elections, which we are going to come on to in a minute, and around our democratic process—are this Government doing enough to engage working-class communities and really get to the core of what they want, such that we are talking to them and not just leaving it to officials to decide?

Steve Reed: We are working towards that. We are not doing enough yet. That is the truth of it. One of the good things about Pride in Place is that it is a board of local people who will decide where it is spent, whether on improving public services and public infrastructure, or securing a building that they may need for some purpose that can happen in the community. It is very important, in a country where trust in politics is breaking down, that people can make politics respond more directly to them immediately. Price in Place is a model of that. Whatever differences people living in a particular community may have, they all have a shared interest in making that area do as well as possible, so you can use that driver to build bridges across communities rather than divide people.

Q89 Maya Ellis: How will you measure that? How will you know whether that has been a success in three years in terms of engaging those people?

Steve Reed: There is more like that that we can do outside Price in Place. As part of our work towards devolution and community empowerment, there is a strong strand of localism, for which local



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government has been pushing for years but to which Government have not responded. Where we make services directly responsive to the people who are using them, and where we involve local people much more in the decisions that affect them in their communities, that will, in my view, help to promote greater feelings of social cohesion, because people will feel that their views are listened to and taken into account in decisions.

As for how you measure it, there is not one specific measure that you can point to. To some extent, it is a feeling that people have and will express. If you feel that your community is dysfunctional or that you are losing trust in democracy, you articulate it.

Q90 **Maya Ellis:** You can measure a shift in sentiment over time.

Steve Reed: When I was a council leader, I used to look at the satisfaction rating. You get any number of performance measures telling you how well or badly this service or that service is doing. I always used to put the greatest weight on the satisfaction statistic, because that told me whether people thought that things were going in the right or the wrong direction. You can try to measure it that way.

You can look at outcomes in particular services, but, when people are starting to express greater trust in politics and political decision making because they are more involved in it and it is more directly responsive to them, we will get better outcomes. In a democracy, it is listening to the people on the frontline that makes democracy work or not work.

Q91 **Mr Forster:** Secretary of State, about three weeks ago, I asked the Prime Minister a question about elections in my area and whether they were going to be cancelled or postponed. Two weeks ago, your colleague Alison McGovern confirmed that, in Surrey, we are going to have local government reorganisation and that we will have elections in May next year. Are elections going to happen in other areas that are being considered for local government reorganisation, or will voters in areas such Hampshire or Essex lose the right to vote for a second year in a row?

Steve Reed: Elections are going ahead. In all the areas where they were told, they will be going ahead.

Q92 **Mr Forster:** Is that for new unitary authorities or for the previous county council elections this year that were postponed?

Steve Reed: It is in all the areas. Where the elections are intended to go ahead, they will go ahead.

Q93 **Mr Forster:** Do you not think that local government reorganisation is taking longer than planned?

Steve Reed: No, not yet.

Q94 **Mr Forster:** I know that it has taken longer in Surrey to get to the bottom of things, and it is clearly taking longer in other areas to agree a



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solution and a consensus.

Steve Reed: Yes, but the elections that are intended to go ahead will be going ahead.

Q95 **Mr Forster:** Do you mean intended by the local areas to go ahead or by what you want to happen?

Steve Reed: The elections that are supposed to be going ahead will be going ahead. The planned elections will be going ahead.

Q96 **Mr Forster:** Thank you for that reassurance. Moving on to other election issues, turnout at the general election where we were elected was at the lowest since 2001. How will the Government's proposals for electoral reform increase democratic participation? Before you mention 16 to 17-year-olds, while I am in favour of us extending that franchise, do the Government plan to improve the curriculum and invest in schools to ensure that young people are able to fully take part?

Steve Reed: That last point will be one for the Education Secretary. My own view is that we should be educating young people about civic participation, including the importance of voting. It is an important reform to extend voting to 16 and 17-year-olds, and I am looking forward to young people being able to have their say in national elections across the whole of the UK for the first time.

We are also introducing automatic voter registration. Every election day, I will be in my own constituency and people will walk up to me and say, "I just went down to the polling station and my name is not on the register". They will not have registered to vote, because a lot of people are not thinking about politics most of the time. We are unusual in that respect. They go along on election day and discover that they are disenfranchised, or at least not enfranchised. With automatic voter registration, there is a much higher chance that they will be able to vote when they walk down to the polling station to vote.

It is also an important function of our devolution and community empowerment agenda that we make voting in local elections more meaningful. We have always had higher turnouts for general elections nationally than for local elections. It is sometimes as low as half the proportion of people voting in a local election as in a national election. Speaking to people, it is quite often because they think it does not make much of a difference. The more that we pursue the devolution agenda and push power closer to where people are, the greater the incentive to take part in elections, because you will be more likely to feel that your vote is going to make a difference to things that happen in your life and your community.

Q97 **Mr Forster:** I have one quick follow-up on the 16 to 17-year-olds. Steve, your response was very much, "Well, that is for the Education Department to consider", but MHCLG is leading on extending the franchise. Are you not having a correspondent investment in education?



How many times have you raised this with the Department for Education?

Dame Sarah Healey: Officials have had quite extensive conversations, because the strategy that we published for elections sets out the importance of enabling and supporting young people to vote, as well as giving them the right to do so, including measures on registration at 14, so that they are able to register well in advance and do not suddenly come across the notion of voting at 16 and end up disenfranchised in precisely the way that Steve set out.

It is worth pointing to the curriculum review that was published last week, which sets out some really clear proposals on the teaching of citizenship for young people in order to help with the education of that. We will be working closely with the Department of Education on exactly what that curriculum looks like as it starts being implemented, so that it supports the plan to extend the franchise to 16 and 17-year-olds.

Q98 **Chair:** Secretary of State, in opposition, there was a strategy produced for the Electoral Commission in terms of, essentially, the Government getting more involved in that. As one of the Ministers, you voted against that. I should declare an interest in that I was the shadow Minister responding to that strategy. It almost seems as if the Government have changed their mind now that they are in government in terms of the independence of the Electoral Commission. Is there a reason why? You are not aware of this.

Dame Sarah Healey: This is the strategy and policy statement for the Electoral Commission, which was quite controversial when first introduced. The Government have set out that they will be issuing another one of those. They will be withdrawing the one that the previous Government did and issuing another one. They are very clear that they support the independence of the Electoral Commission in undertaking its work.

Q99 **Chair:** Our predecessor Committee also looked at this. There was an element where it felt that there was an inconsistency in the role that the independent Electoral Commission plays in the health of democracy and, essentially, almost that the Government were encroaching on that independence.

Dame Sarah Healey: There is no intention to encroach on that independence in terms of how it pursues its work, but rather a desire to set out a different strategy and policy statement from the one that the previous Government had set out.

Q100 **Chair:** When we met with the chair of the Electoral Commission, they said that they would like the Government to totally repeal that statement. Is that something that you feel would be the right move?

Steve Reed: I would need to have a look at that. If the Committee or you, Chair, would like to write to me with your concerns, I can make sure that I properly address them.



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Q101 Andrew Cooper: I just want to pick up on the points that you were making about devolution. In February, the Government announced the devolution priority programme to take forward proposals to create six new mayoral strategic authorities. In July, the then Minister, Jim McMahon, announced the consultation response and confirmed that the relevant statutory tests had been met.

We all understand the importance of devolution in rebalancing the economy and creating regional growth. I understand that the Government were expected to publish details in September of plans for the next phase of work for the devolution priority programme, including providing certainty to areas over funding so that they could move forward. Why has that been delayed, and when do you expect to make that announcement?

Steve Reed: I do not know whether Sarah knows why that has been delayed, but the Government are fully committed, as am I, to devolution, for all the reasons that I will not go through again. Decisions are better if they are taken closer to the people they affect. One reason why this country is one of the most unequal in the developed world is that power is too centralised in Westminster, and too many regions of our country are not able to take decisions that affect their own futures.

Devolution is fundamental if we need to rebalance the economy and make sure that people anywhere in this country can access the opportunities of a decent job, a good home and a decent wage in the place where they live. It is very important that we rebalance the economy, so devolution is central to that.

Underneath devolution, you can have models of local centralisation that lock people out of decision making just as much as Whitehall sometimes can, so it is very important that we have models of localism within that. We will continue to pursue that agenda and, indeed, to strengthen and deepen it where we can.

I do not know the particular reasons why something that you expected in September has not come out yet. I can write back to you and let you know, but do not take that as any diminution of our commitment to devolution, because I am personally very committed to it.

Q102 Andrew Cooper: As far as you are concerned, you are fully committed to the devolution priority programme and to filling in the gaps in the north-west, in Cumbria, and in Cheshire and Warrington, and creating those mayoral combined authorities.

Steve Reed: That is right, and across the whole of the country. We are looking at models up and down the country where we can give regions, as well as localities, more control over their own destiny. We cannot address the deep inequalities that, in my opinion, have been pulling this country apart for too long, if we do not open up power right across the country. Devolution in various forms will continue to be a very major part of the solution to those problems.



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Q103 **Mr Mohindra:** Secretary of State, you mentioned automatic voter registration. I apologise for not being on top of this. Is there the ability to opt out of that? I am just conscious that there may be a valid reason why people do not wish to be on the electoral roll, such as domestic abuse victims or victims of identity theft.

Steve Reed: You can already be on the electoral register but be anonymised on it, so that would always remain the case.

Q104 **Andrew Lewin:** Can I come back, Secretary of State, very briefly to your exchange with Will on elections next year? We all enjoy elections around this table. We would not be here if we did not. Sarah might be the exception.

Dame Sarah Healey: Oh, I don't know.

Q105 **Andrew Lewin:** She might enjoy them even more than we do, but there is a serious point. This is true in Hertfordshire and other places across the country. At the moment, in Welwyn Hatfield, we have a district council and a county council, and we elect by thirds. What that means practically is that we have had elections every year since 2021, and two in 2024 with the general election. As it stands, we would have elections by thirds again in May 2026 while then saying that there are going to be provisional elections for the new council in 2027. Even in that circumstance, with elections for thirds of a council only in 2026, were you still saying to Will that those types of elections—you would not know about Welwyn Hatfield—will go ahead?

Mr Mohindra: I am sure he does.

Steve Reed: I am from Hertfordshire originally, so I know a bit more about it than you might think. The intention is that there would be dual running for a period, with a shadow authority for parts of the time.

Q106 **Andrew Lewin:** That means yes to elections next year, as scheduled.

Steve Reed: That is right.

Q107 **Sarah Smith:** Moving now to some questions around local government finance, the Children's Wellbeing and Schools Bill is giving councils greater influence over pupil placements and new schools, which is a really welcome step forward. Councils are facing huge economic pressures due to SEND and high-needs budgets. How will you provide greater ability for councils to invest in early intervention and to enable them to take a longer-term approach to addressing the crisis in SEND?

Steve Reed: SEND is an issue that I have been discussing directly with the Secretary of State for Education and her officials, and I know that officials in the Department have been doing exactly the same. The costs of SEND have ballooned over the 10 or so years that SEND has existed. There were around 200,000 children on an EHCP.

Dame Sarah Healey: There were 600,000 who currently have an education and care plan, which has more than doubled since 2015.



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Steve Reed: Thank you for the figures. It has increased exponentially, yet the number of young people with the relevant conditions has not increased by the same amount, so there is clearly a problem that is going on here. It looks like the problem was the removal of support in school to such an extent that parents pushed to go on to an EHCP when, previously, they would have been able to access support in school as part of an inclusive approach to education.

The dilemma is this: how do you get back to a situation where people do not have to be moved on to EHCPs? How do you make those services available in the schools, given the funding constraints that make a transition difficult? That is to share with you openly the bones of the dilemma.

My officials, and officials in the Department for Education, are working through that and talking to colleagues in local government as to how we can do that without disadvantaging any of the young people currently benefiting from those plans.

Q108 **Sarah Smith:** My question was more about how you see your role in enabling councils, through changes or your renewed approach to local government finance, to take a longer-term view and to move more into early intervention and preventive work. In SEND and across other areas of policy, how do you envisage enabling local authorities to make that change?

Steve Reed: There are two approaches there. First of all, we have to get a grip on some of those areas where costs are rising exponentially, because that is then sucking resource out of other areas, including transformation work on the way that services work. SEND is one of those areas. We discussed temporary accommodation earlier on, as well as some of the solutions to it. Children's accommodation costs are rising exponentially. We are working on interventions with the Department for Education and talking to local authorities about how we can start to cap that. There will be announcements coming in due course on that.

In terms of supporting local authorities to move more towards prevention, local authorities are not uniform in their ability to work effectively around early help. We need better models of learning and sharing best practice from those authorities that are doing the best. Government are in quite a good position to help share some of that best practice, but also to support councils that want to transition to follow models that are working to be able to do that.

Dame Sarah Healey: I would highlight two other more structural changes in the local government funding system. One is the removal of lots of ringfenced, smaller grants, therefore enabling local government to make its own judgments about how it is spending its resource. The other is less dictation and less bureaucracy in terms of accounting for all of that. We will also be giving a three-year settlement for the first time in some time.



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Q109 Sarah Smith: Moving on to the fair funding review, I really welcomed this as a bold move to try to get better distribution of funding into local government across the country, especially in places such as Hyndburn. We are, unfortunately, the 16th most deprived local authority, based on the recent update in the indices of multiple deprivation, but we are paying some of the highest rates of council tax. However, due to some of the unique anomalies in my constituency, we may be worse off under the proposals. Can you reassure me that places such as Hyndburn will end up better off by the time this review concludes?

Steve Reed: What is driving the review is that, if you look over the last 14 years, the correlation between funding and deprivation was drifting apart. A key objective of the fair funding review is to better align those things so that resource goes where the need is greatest, so that we can start to tackle deprivation and the factors that are holding communities back, and so that people, wherever they live in the country, can have a better chance to aspire to and achieve better for themselves and for their families. That is the intention behind it.

There are other factors that will be at play there as well. One of them is social care, which is a big cost driver. We have an ageing population. The older population has been moving around, particularly since the pandemic, but funding has not been tracking and following that. We need to make sure that, where the demand for resource is highest, the councils are getting the resource that they need to meet the needs of their populations.

In some areas, populations in general have been in decline while they have been growing in others. We should look not just at the universal figure going towards a particular authority, but the funding per capita, taking into account deprivation. In that way, you get a different view of whether a particular outcome is reasonable.

The funding formula will take all of that into account, and the outcomes for local areas will be fair because those approaches will be applied equally to all localities.

Q110 Sarah Smith: Do you not agree with me that it would seem unfair for the 16th most deprived community in the country to potentially be disadvantaged by these reforms?

Steve Reed: All else being equal, yes, but I do not know whether the population has decreased considerably. If there has been a decrease in population, you would expect funding, even if it is being allocated based on deprivation, to decline as well. I do not know the specifics of your locality. Either I or my Minister would be happy to meet you or any other MP to discuss the specifics in your area once we have the data published, but it will all be justifiable based on those criteria.

Q111 Sarah Smith: What are the timelines for that publication?



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Steve Reed: The end of December is when you will get the final report, just before the Christmas recess.

Dame Sarah Healey: We hope to publish the fair funding review outcome sooner than that.

Q112 **Mr Dillon:** The fair funding review consultation closed on 15 August, so it will be three months this weekend, and yet there is still no analysis on the MHCLG webpages.

Dame Sarah Healey: That is something that we are working to get published as soon as we can. It is worth flagging not only that it is incredibly complex, but also that we had a reshuffle in the intervening period, so we clearly needed to give new Ministers an opportunity to take their own view on the results of the consultation.

Q113 **Mr Dillon:** Picking up on Sarah's point, there are 50 upper-tier or tier 1 authorities that would lose out under the Government's fair funding proposals as currently set. Those tier 1 authorities have the pressures of adult social care and children's services that you were just addressing, Steve. We know that those costs are going up by more than 4% a year, so would you agree that the core spending power of the councils should increase by at least 4%?

Steve Reed: There are other factors to take into account, including population.

Q114 **Mr Dillon:** If you just look at population, in West Berkshire, which is the council that my constituency sits in, it has had two children suddenly come on to the books, who are costing £1 million a year. It cannot forecast that; that is impossible to forecast. With a smaller unitary, you do not have that headroom either to be able to get £1 million, so it is not all about just population numbers. It is the real demand.

Steve Reed: There are other factors at play there, including the cost of children's accommodation, some of which has just been growing exponentially without any capping on it, so we need to look at factors such as that as well.

You made a statement about the number of tier 1 authorities that were going to be losing out, in your terms. We have had a consultation since then. We have looked at the feedback from the consultation, and the formula will be adjusted and the settlement that will come out in December will look different. I do not know off the top of my head what the new figure will be, but we have listened to what people have said and have tried to deal with any anomalies that the system is throwing up.

The reason why it is taking a long time is that you can just imagine the amount of data that our officials are having to go through to work this through their spreadsheets and their systems. They want to make sure that there are no errors in it before it is shared with local authorities.



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Q115 **Mr Dillon:** Hopefully section 151 officers will be smiling slightly more than they were on the consultation.

Steve Reed: I am not sure that section 151 officers ever smile that much, but we will see.

Q116 **Chair:** Our recent report put forward a series of recommendations to the Government in terms of local government finance. One of our recommendations was around fiscal devolution, which we would say is quite a big omission in the current English Devolution Bill. Is that something that you would want to revisit and look at as the report goes further in the report stages, Secretary of State?

Steve Reed: As I was saying to your colleague, I have always been an advocate of devolution, and that includes fiscal devolution.

Q117 **Chair:** Have you told Treasury colleagues that?

Steve Reed: I have indeed told Treasury colleagues that, and we will wait with anticipation for the Budget to see what the Chancellor announces.

Q118 **Chair:** One of the other things that we have been talking about is staffing and pay, and national insurance contributions. The Government allocated £500 million for local authorities to cover NICs, but, in many areas, there was still a shortfall. Figures from Unite the Union estimate that local government pay is 25% lower on average in real terms since 2010. Is this something that is on your radar in terms of making sure that we keep hard-working staff across many councils who continue to feel cost of living pressures and, essentially, are saying that their pay has not gone up in real terms?

Steve Reed: You are right to point to that. There are concerns about recruitment and retention. It is not just that, in real terms, local government workers have seen a decline in their incomes over that time. They have also seen a considerable increase in their workload in many cases. The number of cases that a social worker is carrying today will be many times more than was deemed reasonable back in 2010.

There is an awful lot to look at. You cannot fix it all overnight, but, in terms of our reforms and the move towards fair funding, part of the impetus behind local government reorganisation is to reduce the cost of politics and government in general so that we can invest more of that money in the frontline services that support people. That includes paying local authority workers a fair wage so that we can recruit into the sector people of the talent that is required, and then retain them once they have been employed.

Q119 **Lewis Cocking:** Secretary of State, you said at the start of the meeting that you have been in meetings around the local housing allowance. Have you been in any meetings with any ministerial colleagues or civil servants around the Budget on any potential changes to council tax?



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Steve Reed: No.

Chair: So it is just flying kites in terms of everything on council tax.

Q120 **Chris Curtis:** There has been an announcement today on new standards for local councils. I speak to many of my fantastic parish councillors and clerks in my local area about some of the horror stories that they have heard about where standards have not met what would be expected. Can you confirm that these changes will also apply to parish councils?

Steve Reed: That is a good point.

Chris Curtis: I don't mean to put you on the spot.

Steve Reed: They should, because standards should be high. Let me get back to you, Chris, rather than just give you an answer.

Q121 **Mr Mohindra:** Do you have any views on council officers working from home?

Steve Reed: You might have seen the letter that I sent to South Cambridgeshire about a four-day week, which I do not think is offering good value for money. Indeed, there are concerns around performance standards.

Q122 **Mr Mohindra:** Should officers be coming into the office?

Steve Reed: Employees should be in the office as often as is reasonable, but, as I just said before, I believe in devolution and localism. It is for local management and leadership on the ground to take their own decisions. My own view is that I would want people in their departments and at their desks as often as they could be.

Dame Sarah Healey: Do you want me to talk about office attendance in the Department? The civil service set out an expectation of 60% office attendance where the amount of accommodation in offices allows for that. In MHCLG, office accommodation allows for slightly less than that, because we simply do not have enough desks across our estate for staff to be in 60% of the time. Nevertheless, we expect senior civil servants to all be in at least 60% of the time. We monitor and track that regularly, and take action when people are not meeting those expectations.

I just rechecked the written ministerial statement and it does refer to parish councils.

Chris Curtis: That is great.

Q123 **Mr Forster:** There are a lot of concerns from Hongkongers in my community and across the country about the Chinese super-embassy from a national security point of view. They feel that they could be threatened despite fleeing persecution when they have come to the UK. Is your Department going to follow the standard call-in process for this type of application?



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Steve Reed: We agreed in advance that, because I will be a decision maker, if the issue came up, I would defer to the Permanent Secretary.

Dame Sarah Healey: The application has been called in and is currently under consideration. We have said that we will produce a decision on or before 10 December.

Q124 **Mr Forster:** Will it follow the standard call-in process?

Dame Sarah Healey: Yes, as far as I am aware. We have been completely transparent about the process that it is following. That is the process that we have set out publicly, and nothing else is going on.

Q125 **Chair:** Secretary of State, I have just one final question. I am mindful of your time. We had the Hillsborough recommendations last week, and the Prime Minister led on that. Grenfell United, you may be aware, has called for a national oversight mechanism to monitor those recommendations that the Government have accepted in full, which is welcomed. Unless we have an independent mechanism, will having the Cabinet Office oversee those recommendations not be fully independent?

Steve Reed: I met with Grenfell United last week. This was one of the issues that they raised with me as a priority, and I committed to them to go and talk to colleagues across Government and get back to them with a response. I am very sympathetic to the concerns that they raised with me, but, if it is okay with you, I will get back to them first when I have had a response from my colleagues.

Chair: That is fine. Thank you very much for being generous with your time this afternoon, Secretary of State. There are a number of areas where we will be seeking additional correspondence from you, but we do appreciate you and the Permanent Secretary coming to the Committee this afternoon.

Steve Reed: Thank you for having us.