

Housing, Communities and Local Government Committee

Oral evidence: MHCLG priorities for the Secretary of State, HC 1036

Monday 9 July 2018

Ordered by the House of Commons to be published on Monday 9 July 2018.

[Watch the meeting](#)

Members present: Mr Clive Betts (Chair); Mike Amesbury; Bob Blackman; Helen Hayes; Kevin Hollinrake; Mr Mark Prisk; Liz Twist; and Matt Western.

Questions 1 - 87

Witness

I: Rt Hon James Brokenshire MP, Secretary of State, Ministry of Housing, Communities and Local Government.

Examination of witness

Witness: Rt Hon James Brokenshire.

Chair: Secretary of State, thank you very much for joining us this afternoon. I think other members of the Committee will be joining us as well in due course, but I understand that something else of interest is happening in Parliament this afternoon, so they may have been distracted in other places.

Thank you for coming; I am pleased to see that you are still in your place, anyway, as Secretary of State. Before we come to you, I will just ask members of the Committee to put on the record any matters they may have that are of relevant interest to this session. I am a vice-president of the Local Government Association.

Bob Blackman: As am I.

Helen Hayes: I employ a councillor in my staff team.

Q1 **Chair:** Those are our particular interests on the record for this afternoon. Secretary of State, I think you would like to make a brief opening statement for the Committee.

James Brokenshire: Yes, Mr Chairman. It is a great privilege for me to be appearing before this Committee for the first time as Secretary of State. I look forward to working with you constructively in the time



HOUSE OF COMMONS

ahead. I would also like, at the outset, to pay tribute to my predecessor, Sajid Javid, for all his work in this role.

In terms of the priorities of the Department, which I know are very much at the forefront of today's evidence session, I am determined that we will continue the work to see that Britain has the homes it needs for the future. To be clear, that is not simply about some sort of numbers game, but about raising standards across the market—from the quantity of new-builds to tackling abuses in the leasehold sector. We have to make our housing sector work for everyone.

Making renting in the private sector fairer and more affordable is a key part of this for me, and that is why we are cracking down on the rogue landlords and agents, banning letting fees and capping deposits. That is something I know has been a focus for this Committee over an extended period of time. Renting must also be more secure, which is why I proposed a consultation around a minimum tenancy of three years, because I believe you should still be able to call a rental property your home. Loss of tenancy is also a main driver of homelessness and rough sleeping, challenges I am determined to tackle from every angle, with the aim of eliminating rough sleeping by 2027.

I also want to see people get the chance to put down roots, keeping their children in the same schools and building stronger communities. As Communities Secretary, I am mindful of our wider responsibilities to our communities. The Committee will be aware of the paper that was published a little while back. We are still reflecting on the submissions that have been received on that and obviously we intend to make further announcements in respect of that in the time ahead.

I can confirm to the Committee this afternoon a new integrated communities innovation fund—a £7 million fund to support trailblazing projects to tackle the root causes of poor integration, as well as support for a new cohesion and integration network, which is intended to bring people together across Government, the voluntary sector, business and community groups to share their ideas, knowledge and experience. For me, it is about how we build stronger communities, socially and economically, and how I see all the work coming together around that theme.

I am also conscious of the work that you have done as a Committee around local government. I believe passionately that local government is a force for good and a force for change in this country, but I do recognise the pressures that it is facing, not least operating in a difficult financial environment. We are listening and responding. That is why we have boosted funding, for example, for adult social care, and I am committed to ensuring that it has a sustainable future.

Obviously, the aftermath of the Grenfell disaster is very much a key priority for me; we must ensure that we do not just learn but apply the lessons. There is therefore a focus on building safety, which I know will



HOUSE OF COMMONS

be an area of continuing focus. There is the need for resolute attention on that.

There are also, of course, the issues of Brexit and what that means for local government, on which I know we have already had some correspondence exchanges. I look forward to continuing the dialogue and ensuring that we are very firmly building local government within the overall framework as we move forward. There is the need to ensure that we listen very carefully and intently to the important contribution that local government has made and will continue to make in Brexit, as we leave the EU, and in driving further change too. I very much welcome this initial chance to be able to respond to your questions.

Q2 Chair: Thank you very much, Secretary of State. You are, of course, most welcome before the Committee. We look forward to your further appearances in the future. For today, you have gone through a number of issues there that we will come to in due course this afternoon and explore further in detail. I have just one general point. You published a new single departmental plan. It is only five months after the previous one. Is it necessary to change the plan so often? Is it really a change or just rewording?

James Brokenshire: There are always the departmental plans that are published and refreshed from time to time. It is right that in Government we recognise that circumstances can and do change. Obviously, we know the profound impact that the Grenfell disaster has had; it is right that we are able to reflect and recognise that.

I have outlined the core components, in terms of housing supply, fairness within housing and the housing market as a whole, local government finance, stability in the future, Grenfell, Brexit and communities. Those key components very firmly remain, as, of course, does the Government's keen intent on delivering the supply of housing—the homes—that our country needs. That firmly remains the case.

Q3 Chair: Just before we come on to some of those issues, you mentioned Brexit, which is probably quite appropriate for today. In terms of your Department's responsibilities, the Shared Prosperity Fund is obviously very important for local councils, particularly for some councils in the more deprived parts of the country. Have you any idea when we are going to have an answer about what it actually means—what the criteria are and how much is involved?

James Brokenshire: No. This was an issue that I discussed with council leaders at the LGA conference last week; it was flagged to me as a keen interest for local government to have that certainty. I can certainly say to the Committee that we intend to consult on the UK Shared Prosperity Fund later this year, to ensure that we have firm inputs, with that opportunity for people to see, to consult and to have their own inputs into it as we develop the framework and the model.



HOUSE OF COMMONS

There is active work that my Department is leading cross-Government, knowing that it is not just simply about local government but also various different parts of central Government too. There is an impact on the devolved Administrations. There is a lot of work that has already gone in, but we are very conscious of getting the detail published so that we can get that broader engagement as to the work, and obviously finalising the arrangements for the UKSPF.

Q4 Chair: On the timing of implementation, can we at least have an assurance that there will not be a gap in terms of the ending of money coming through from the European Union schemes and money being available through the Shared Prosperity Fund?

James Brokenshire: Absolutely, yes. Obviously, you will be aware of the commitments around structural funds and the extension of that period for the multi-annual financial framework period. Yes, absolutely, the UKSPF picks up where that leaves off, and therefore there is that continuity. That is firmly the basis on which we are proceeding.

Q5 Chair: Something else that local government has raised, or certainly some councillors have, with regard to housing schemes in particular, is the European Investment Bank and loans that have been made available. Those are very important to certain housing schemes and may be important to more schemes in the future if we have some continued association with it. Is that something, again, that your Department is taking up and being involved in the discussions and negotiations about?

James Brokenshire: We are certainly involved in a range of issues relating to Brexit and its impact on local government and the regions more broadly across England. You are right to focus on issues such as the European Investment Bank. Indeed, in my previous role this was something that was on my mind as well. The Committee can be assured as to the work that is going on cross-Government and our involvement in that, recognising the impacts on local government and housing delivery more broadly.

Q6 Chair: Specifically on the European Investment Bank, are you seeking the views of local authorities about how they have benefited in the past and what they would want to see in the future in terms of relationships?

James Brokenshire: There is a broader issue in relation to the involvement and engagement with local government—not just on this, but on other issues—about the delivery implications. My Department has the direct involvement and engagement with local government, but there are other Departments of State that hold policy areas that have an impact on local government. Indeed, local government is their primary delivery partner.

That is why I held a roundtable with leaders at the LGA last week and set out to them my intent to establish a local government Brexit delivery group involving the sector, so that we have a formal dialogue with them, to be able to involve other Government Departments from across



HOUSE OF COMMONS

Whitehall and be able to have that direct discussion with local government. We will therefore be strengthening and building on what have been a number of individual or different fora that have existed, and seeking to bring this together in one place. That will ensure that we are listening and reflecting as we look to the implementation of leaving the EU and the key role that local government plays.

Chair: That is very helpful, Secretary of State.

James Brokenshire: I am very happy to write to the Committee with further details. I want that group to meet ideally before we break for the recess, and therefore to set out the intent, recognising the importance of getting this right.

Chair: That would be welcome.

Q7 **Bob Blackman:** Secretary of State, welcome. You mentioned in your opening remarks about some of the pressures building up on local authorities. Clearly one of the issues of great concern is the ability of local authorities to finance their spending. You will be aware that, compared to the last four years, the increase in spending power this year is 0.3%, at a time when inflation is around 2.5%. Local authorities would estimate that they are some £3 billion to £4 billion lower, in terms of spending power, than they were four years ago.

To give you an example, I was with my chief executive this morning at Harrow Council, who said that four years ago the council was spending £37 million on adult social care. This year they are spending £48 million. Huge pressure is building up and there is no ability to actually raise additional finance in order to finance that expenditure. How do you expect local authorities to cope with the competing pressures of adult social care when they do not have the ability to raise extra money?

James Brokenshire: There are a few issues that I would pick up on that. We are in the third year of a four-year deal with local government, which was signed up to by around 97% of councils in return for publishing efficiency plans. In February, Parliament confirmed our settlement, which has provided an extra £1.3 billion increase in resources to local government over the next two years. In addition, the current business rate retention scheme is yielding strong results.

Local government finance is changing. Mr Blackman, you will be well aware of the way in which we are moving to a situation where there is less dependence on central Government grants and to a situation where councils, through a combination of business rates retention and council tax, become effectively more self-financing in that way. We move towards 2020 with that intent.

I continue to listen to the pressures that councillors are telling me about, particularly around adult social care. We want to publish our Green Paper setting out a long-term stable plan for the financing and funding of social care. We intend to publish that in the autumn, alongside the publication



HOUSE OF COMMONS

of the NHS delivery plan. Both of these things need to be viewed together.

Effectively, we need that stable plan for social care, and indeed we need to ensure that there is not additional burden or pressure being put on to the NHS. That is why the two interlock very firmly. We intend to produce that later this year.

Q8 Bob Blackman: I completely understand long-term funding. You will be aware that this Committee, together with the Health and Social Care Committee, has produced a report on some suggestions for that.

James Brokenshire: I very much appreciate that and welcome the contribution the Committee has made.

Q9 Bob Blackman: The key concern right now is that the pressures are building up, with the good news that people are living longer. Their needs, however, are more acute. The Government have raised the minimum wage for providers, quite rightly, to enable people who are working in the industry to earn a reasonable living. That increases the cost pressures to local authorities. What are you proposing to do in the short term to help local authorities over this hurdle?

James Brokenshire: I would underline the additional support that the Government have already given, with the additional funding that was announced at Spring Budget 2017, so last year, of the additional £2 billion for adult social care, as well as the additional funding of the £150 million that was made available in 2018-19.

The additional funding flexibilities, as well as the support through the improved Better Care Fund, means that councils now have access to £9.4 billion in dedicated funding over the three years 2017-18 to 2019-20. It is not that we have somehow not recognised the pressures that very firmly are there. That is why there is that need to look towards that long-term stable position.

Clearly, we will continue to reflect in relation to the financial settlement for the next financial year, 2019-20. There is that recognition that the Government have already displayed as well as the need for the long-term position to ensure that we have a long-term plan for social care, as well as that long-term plan for the health service.

Q10 Bob Blackman: Northamptonshire County Council obviously issued a Section 114 notice. How many other authorities are at risk of failing to be able to fund their services?

James Brokenshire: You are right, Mr Blackman. One of the first things that I did was to appoint two commissioners to Northamptonshire. It is worth making the point that that was because of the way in which Northamptonshire itself had managed its budget. As the inspector originally said, this was not about Government funding but poor financial management at the council.



HOUSE OF COMMONS

I would say to the Committee that we are confident that no other authorities are in the same situation as Northamptonshire, with very low reserves, audit concerns, overspending on key services and governance issues. No authorities raised concerns during the settlement consultation. All authorities have obviously set a balanced budget for 2018-19. It is important to put on the record why there were very specific issues in relation to Northamptonshire, but obviously we continue to monitor the sector very closely, as does the LGA. It is important to put Northamptonshire into context.

- Q11 Mr Prisk:** Secretary of State, if I could come back to the funding of adult social care, you rightly said this is an important long-term approach. At the moment, we are relying on short-term surcharges—in council tax, for example—to plug the gap. As part of your thinking, are you prepared to look at long-term reform of council tax? After all, the valuations date back to 1991. Is it not time now to reconsider and make this a tax that is fit for purpose and can generate the revenue needed?

James Brokenshire: On adult social care, it is important that we take a step back and look at this in the round. Whilst we are not pursuing the initial plans set out at the time of the last general election, the Prime Minister has been clear that the consultation will include proposals to place a limit on the care costs individuals face. That is on the one side.

There are various different options that can be considered in terms of how this is funded and how this is supported. At this session I would not want to suggest one idea over another. That is very firmly for the Green Paper.

Mr Prisk, you have made one suggestion as to whether council tax has a role to play, albeit that I think we have seen with precept increases that quite a heavy load has already been brought to bear in relation to council tax. I would not want to suggest that there is that great flexibility there.

There is an opportunity to take a step back and look at this in a broad way, as to how the increasing costs are reflected, but also different ways in which this can be funded and financed, recognising the need for that stability in adult social care and that need for stability within local government finance. We are obviously looking at the fair funding review and the needs assessment, and how that is balanced off, reflecting carefully on the submissions that we have received.

When we look at the work over business rate retention, at funding arrangements and at adult social care, clearly there are a lot of different factors as to the financial structure of local government and the way in which it is able to receive and raise its income. I will certainly be considering all of these issues very carefully in the months ahead.

- Q12 Mr Prisk:** I will take that as a “Yes, maybe”. Perhaps I can turn to a more serious immediate issue, which is obviously the need to rehouse those affected by the fire at Grenfell. Given that trust is such an



HOUSE OF COMMONS

important issue on this dreadful tragedy, do the Government regret making a promise to rehouse people permanently within a year and then not hitting that target? You will understand, coming to this role and talking to residents, that trust is an important issue.

James Brokenshire: Yes, I do. I feel that issue of trust very keenly. In the time that I have been in my role, having met so many of those so hugely affected and impacted by this utter tragedy, I recognise that challenge of how we can instil trust and confidence in Government of whatever form. It was right, though, to set out a real priority and a real sense of how we need to get on with this, and the urgency that we attach to this.

It is also worth underlining that there are so many people who have been so affected that we do not want to necessarily put some great pressure to say it needs to be done by this time for them. They are not ready to move into new permanent housing, because of all of the profound implications it has had on them.

I am not in any way relenting on seeing that the permanent homes are there for those who need them. I will continue to apply pressure to the council, Kensington and Chelsea, and obviously the Ministerial Recovery Group meetings. There is the continuing work of the independent taskforce. They will be reporting to me again in the autumn. We need to do right by those families and that is something that I am acutely aware of and why it matters so much for me to see that we do.

Q13 **Mr Prisk:** Thank you for that. On 11 June, you told the House, "I remain very concerned about the 43 households who are living in hotels". Of the 203 households needing new homes, how many have yet to accept an offer, and what has happened to those 43 households?

James Brokenshire: Perhaps I can update the Committee on the most recent statistics and performance numbers that I have. There are now 204 households who require housing, but the number changes somewhat because of family units that may separate. That is the reason why that number has gone up by one from the number that you quoted to me, Mr Prisk. Of that, 199 households have accepted temporary or permanent accommodation, of which 93 households have moved into permanent accommodation, 37 households are in hotels and 47 households are currently living in temporary accommodation. In total, there are 41 households living in a hotel, 20 are living in serviced apartments and three are living with family and friends. That is the most up to date information I can provide to the Committee.

I want to see people moving into permanent accommodation. The council has done extensive work with its contractor, Mitie. There were delays, and I do not pretend that this has gone smoothly on this side, and nor would Kensington and Chelsea. They had an initial contractor that then had to be replaced, causing delays. There is progress being made on seeing that these homes are being personalised. That is



HOUSE OF COMMONS

important to state: that these are quality homes that people are able to move into, that there is delivery that is taking place very firmly around that and that the majority of the homes have now been fitted out.

It is then a question of a range of issues to give confidence, with so many families that have been so impacted and affected by all this. I am certainly happy to provide further details to the Committee in further written form, if that would be helpful, to set out some of those steps and some of the more granular numbers perhaps to sit underneath that.

- Q14 **Chair:** I just want to ask something, before going on to the follow-up from Grenfell on building regulations. Despite the financial issues affecting local councils, would you accept that local government has had probably bigger cuts in its expenditure from central Government than any other part of the public sector, and that, by and large, though there have been impacts on services, it has dealt with them pretty well?

James Brokenshire: I would, and I made this point very firmly at the LGA conference last week, paying tribute to the work that local government has achieved in dealing with the challenges of our public finances that have not been in a good place, and the way in which local government has responded to that incredibly well.

- Q15 **Chair:** I was just reading the recommendations and conclusions from the Public Accounts Committee the other day, asking the Permanent Secretary for certain information. I do not think they were totally convinced, as I understand it, from the evidence they had, that the Department thoroughly understood what the financial sustainability of every local authority in the country was and what risks were faced. They were asking for more information by September to show that every local authority's position is sustainable in the current spending period. Are you really on top of this?

James Brokenshire: Yes. We are monitoring the situation very carefully, which is why I responded to Mr Blackman as I did to his initial question on the work that we are doing alongside the LGA. We monitor local government very carefully and very closely on their performance, to provide assurance to us as to whether there are issues emerging. Obviously, that varies over time with different local authorities.

I am very conscious of the pressures that local government is under. That is why I made the point I did about how local councils have responded incredibly well to the challenge. We know there are pressures there, particularly from adult social care, and children's social care as well, and the overall impact that has on local government's budget and finances.

- Q16 **Chair:** One of the things we always get to in these conversations with Ministers is, "Yes, of course we have all these things in place". We are told there is a new unit now in the Department looking at the financial risk of local councils and keeping an eye on them, making sure none of



HOUSE OF COMMONS

them go over the cliff edge; I think that was the definition that the leader of Kent used when he came to give evidence on business rates a few weeks ago.

However, the Public Accounts Committee asked whether we are not all talking a bit round in circles on this. Does there not need to be a shared definition, a public definition, of what financial sustainability actually means and a methodology for assessing which authorities are at risk? Should this not be in the public domain, rather than something that goes on in conversations between your Department and councils behind the scenes?

James Brokenshire: The point is that every council is different. We obviously have a range of different authorities, both in size and in terms of responsibility. Although I hear the call in that fashion, it is important that there is flexibility to understand the particular issues, the particular obligations that individual councils are under, with upper tier and lower tier, and with mayoral combined authorities.

There are a number of different aspects to this, so yes, we are looking at this very closely and carefully. We will respond to the Public Accounts Committee and I am sure the Permanent Secretary will do so in the normal way. I know how seriously she takes the recommendations of the PAC. I would certainly not in any way telegraph any lack of rigour or lack of focus or attention by the Department on this important issue.

Q17 **Chair:** You are fully on top of what is happening in all the councils, in terms of their financial viability. Can you give an assurance to the Committee that every council in the country, with the current spending available to it, in terms of Government funding within the four-year spending plan, will be able next year to deliver a balanced and legal budget and meet its statutory responsibilities?

James Brokenshire: As I pointed out, we had one council, Northamptonshire, that was in the financial pressures I identified. Last year we did see councils able to make their budgets in the normal way. Obviously, we have a further financial settlement to conclude for the next financial year, 2019-20. A number of conversations will no doubt take place, further assessment that will no doubt happen over that time, and obviously the normal customary arrangements in terms of the approval of the financial settlement by the House at the end of that period.

Certainly, I want to come forward with a technical consultation with local government around the 2019-20 financial settlement. I am very conscious of the pressures that local government is feeling at the moment, and therefore ensuring that we continue to understand this well as we look towards the next financial settlement.

Q18 **Chair:** I understand the proposal about the next financial settlement, and certainly the Public Accounts Committee asked for some more information about how that will be addressed. Just in terms of the immediate next financial year, or indeed even this financial year, at this



HOUSE OF COMMONS

stage you could not be certain that every local authority would be able to produce a balanced budget and meet its statutory requirements with the funding that is likely to be available to them. That is, of course, in advance of any extra funding you might provide as part of the spending settlement.

James Brokenshire: I understand, Mr Betts, that you may be trying not to put words into my mouth but to lead me down a particular course. I want to ensure that local government has the funding that it needs to meet the pressures that are there. Obviously, we will continue to reflect on this in the conversations that I have with both local government and with Treasury, as we look towards the next financial settlement. Scrutiny will be applied to that by this Committee and by this House, ensuring that we get that right.

Chair: We look forward to the reply you give to the PAC as well, to the various questions they have asked.

Q19 **Matt Western:** Secretary of State, could I just come in on that? You are still relatively new to this area and there have been several changes in the housing element of HCLG. I am just interested in what three learnings you have gained, from all these different challenges—let us put it like that—with Northamptonshire. I am sure you have read comprehensively about what happened there, but what three things would you say you gained from that?

James Brokenshire: Clearly, there are challenges. There were challenges over governance and ensuring that there was appropriate rigour and scrutiny that came through from the report into Northamptonshire County Council, so governance and scrutiny is one. Also, I suppose that aspect of financial management is the other key factor that underpins this. I suppose some of the points are about leadership, in terms of the strength of leadership from both political and officers and the need to see that combines well and effectively. They are the main issues that come through from Northamptonshire.

Obviously, I am waiting to receive my first report from the two commissioners we have appointed. They will be providing me with quarterly reports, and I would expect to get the first of those in August, in respect of what they are finding. Clearly, I will reflect further on their initial analysis and assessment and see the extent to which that in any way changes the initial points that were highlighted by the inspector and some of that learning that can be applied.

Q20 **Kevin Hollinrake:** Secretary of State, turning to the Independent Review of Building Regulations, Dame Judith Hackitt accepted an invitation to come and talk to this Committee at the interim point of her review. At that point we expressed some real surprise that she was not at that point, with the interim review, looking at prescriptive guidance on building regs; it was all about a risk-based approach. We were very surprised at that and we made our views known at that point.



All the way through that process, people like RIBA, the architects' organisation, ABI, the insurers' organisation, the Local Government Association and the Fire Brigades Union all were making the case for a prescriptive approach to building regulations. Despite that, even in the final report Dame Judith Hackitt did not recommend that. Why was that?

James Brokenshire: Obviously, Judith is independent of Government and was very firmly set up to produce her review. It is a really weighty, really comprehensive review based on risk-based outcomes, ensuring that there are clear duty-holders that look at this in an end-to-end fashion. I think that she felt prescription alone was not enough. Her view was that it would encourage effectively a tick-box compliance-based mentality when she felt there was a need for a significant shift within the system, as reflected in her final report.

On one key aspect I reflected on what I think the Committee and others had been saying, where they felt there was a need for a blend of the two. I do not think that cuts across the core recommendations that Judith Hackitt made in her report.

I see it as really essential that we take forward those recommendations. We are already seeking inputs and seeking feedback in relation to the recommendations that Judith Hackitt made in her report, so that we change the mindset and we actually see that shift. That will require legislation, and therefore some of this will need time to be implemented. Equally, where we can, we will see that changes are brought forward and that agenda is advanced.

Q21 **Kevin Hollinrake:** Speaking on behalf of the Committee, it has clearly been put on the record that we do not think that it simply should be a prescriptive approach either. We think a chain of custody and the stewardship of construction should absolutely have more accountability within it, which is covered to a great extent within that report.

It surprised us there was not also a recommendation on prescription. It must have surprised you too, because within three hours of the report being released you actually went to the House of Commons—in our view quite rightly—and said, "We are going to consult on banning combustible materials". Is there a fundamental difference in your perspective from that of Dame Judith's?

James Brokenshire: I do not think there is. I should have raised this at the time in the House. Just looking at one of Dame Judith's recommendations on, for example, establishing a more transparent testing regime, she was highlighting there that "a clearer, more transparent and more effective specification and testing regime of construction products must be developed, including products as they are put together as part of a system. There should be clear statements on what systems products can and cannot be used for, with their use made essential". I think Judith was certainly looking for greater clarity.



HOUSE OF COMMONS

I came to a different conclusion in relation to the issue of prescription in respect of non-combustible cladding, but I do not think that cuts across the real broad, detailed and really important intent that is set out in the Hackitt review. That is why it remains essential that we get on and move on with implementation of it.

Q22 Kevin Hollinrake: We are certainly on the same page in terms of prescription that you have suggested. You are currently consulting on that. We have had some evidence recently on the Select Committee from one of the witnesses about the fact that some limited combustibility systems or items—cladding—actually failed a large-scale test. I think it was reported on *Newsnight*.

Vitracore G2, which is limited combustibility, apparently has failed tests similar to the BS 8414 test. Does that raise concerns? I think limited combustibility at the moment is assumed to have passed a BS 8414 test. Is it not right, therefore, if it is the case—and clearly you and we need to look into that—that there needs to be a belt-and-braces approach: both limited combustibility and the large-scale test?

James Brokenshire: Obviously, that is the existing regime that you are rightly pointing to, Mr Hollinrake, and why I want to see a change with the consultation, leading to the banning of combustible materials.

You highlight the issue of Vitracore G2. As I understand it, we do not have a full report of the test available as yet. I have referred this case to the expert panel, because certainly nothing is more important to me than keeping people safe in their homes. I want to look at this test result very closely and have commissioned research into the fire performance of other materials used in cladding systems as well.

It is a point of concern that has been highlighted by the *Newsnight* report from last week. I am commissioning additional advice in respect of it, obviously wanting to understand very clearly the detail that is here, and will obviously need to consider the expert advice that is then provided to me as a result of that.

Q23 Kevin Hollinrake: Just to clarify, the current guidance, I think, says limited combustibility or pass a full system test. What I think we are moving to, and we have heard evidence saying this, is that it should be limited combustibility and a full system test.

James Brokenshire: Obviously, we are in the midst of the consultation at the moment in relation to the banning of combustible materials. We are consulting on the definition of that, on the EU standards A1 and A2. Obviously, it is on these key issues that I am waiting to see how the feedback and consultation comes back in respect of that. Clearly, I will reflect further and carefully in terms of the submissions made to me.

Q24 Kevin Hollinrake: Turning to remedial work on existing buildings, I think you have put £400 million to one side to help people with public-sector buildings that need remedial works. There are a lot of—I think it is about



HOUSE OF COMMONS

270—private-sector buildings that currently fail the test. There are another 170 that are due to be tested, so potentially a lot in the private sector as well.

You said you will rule out no options if building owners will not provide solutions. There is no doubt the remedial works are proceeding quite slowly. There is a real question mark over who could possibly pay for that work. You could have somebody associated with that building who is an owner of a ground rent, a peppercorn rent on the ground—or almost peppercorn, but in many cases peppercorn—or you have a long leaseholder who might be faced with a bill of £40,000, I think, in the case of the New Capital Quay in Greenwich. That is £40,000 per apartment. Realistically, who is going to pay for that work?

James Brokenshire: What I charged the industry to do at the last roundtable that I convened was for it to come up with solutions and for them to present those back to me. I will be meeting industry again in the next couple of weeks for them to report back to me. Yes, I have said very firmly that I rule nothing out.

Mr Hollinrake, you highlighted the issue of New Capital Quay. It is important that the Committee is made aware that I was contacted by NHBC this afternoon in relation to the claim that Galliard Homes had made against NHBC. I can confirm to the Committee that NHBC has investigated the claim regarding the development there and has decided it will accept this claim. It will settle the claim by making a payment equal to the cost of the remedial scheme, in accordance with the terms of the applicable policies. That is quite a significant development in respect of where insurance may reside around all this.

I have been keeping in close contact with NHBC, given the sort of financial support and the guarantees that were in place around construction. That is a key component of this. Therefore, I think this is a significant development. I understand that residents were being notified this afternoon in respect of this too. Therefore, I think there are different facets to this when we look at the complexities of the private sector. There are different solutions that may reside around this for different parts of the private sector.

Equally, it is why I have provided, in my statement that I made on the latest update in respect of the overall numbers, additional financial support for local government as well. We had already committed a sum to the identification process and it is worth noting that around 6,000 high-rise buildings had been assessed by local authorities to produce the last update that I gave. Therefore, there may need to be enforcement activity and just that clarity to the private sector that they need to get on with this. That is important, as well as ensuring that the costs are not cascaded down to leaseholders. That is why both of those issues are very firmly of real significance to me.

Q25 **Kevin Hollinrake:** The NHBC is going to pay the £40 million on that.



That is £40 million. I understand the quote was £40 million to remediate that building.

James Brokenshire: They are going to be working closely on it, and will keep me and residents updated with progress. I understand there is a microsite that provides information around this too, with more information as it becomes available. The clear statement that I have been given is that they will make a payment equal to the cost of the remedial scheme, in accordance with their terms and conditions of the applicable policies.

Q26 **Kevin Hollinrake:** That is very good news for the long leaseholders. Excellent. You mentioned solutions. One of the solutions that was suggested to us by the Residential Landlords Association last week was that the Government might provide some short-term loans to private-sector building owners to speed up the rate of progress of this work. Is that something you might consider?

James Brokenshire: I cannot confirm that as something that we are actively looking at because, frankly, it is the private sector that should bear the cost of this. I look forward to the private sector coming forward with their proposals. I have charged them very firmly as to the responsibilities that they hold in respect of those buildings. I will wait to see what proposals are forthcoming as a consequence. Once I have that feedback, I will then consider the next steps.

Q27 **Matt Western:** Secretary of State, in what sort of time period do you expect these to be effected?

James Brokenshire: When we look at the position, for example, in respect of social sector residential buildings, we know there that 111 buildings—70%—have started remediation. Some 15 have finished their remediation work.

In the private sector, it is less advanced than that. We are advised there that 72 buildings have plans for a remediation, of which 21 have seen those works starting and four have been completed. It is quite complex work for a number of different buildings. In some cases it may be more straightforward than others. For some buildings it may require a completely new arrangement being put in place to deal with the challenges of the ACM cladding that is operable there. We need to get on with this at pace.

It is a question of the assurance to residents living in those buildings where they may have temporary arrangements that have been put in place, whether that is additional alarms or waking watches. There is cost attached to that as well. Therefore, that needs to be mitigated. It is actually the primary assurance that people have. I had a roundtable meeting with, effectively, the residents living in that situation, and the strain and the stress that they imparted to me was absolutely palpable. That was concern as to, "Where I am living, what assurance do I have"?



HOUSE OF COMMONS

Therefore, there is a responsibility to see this progress as quickly as possible. That was why, on the public-sector side, the Prime Minister announced the £400 million, to see that that did not then impact on other activity and other essential repair works that the sector may have been undertaking. There is therefore that pressure on the private sector as well to come up to the mark. Clearly, decisions like the one I have highlighted from NHBC are relevant, and there will be, I am sure, other insurers that will be looking at other individual situations for particular buildings.

I want to see this progressed quickly to give that assurance. It is difficult for me to set a key timetable here today, but my message to the sector is, "We need to get on with this—we really do—for that assurance to residents, and to see that, where there are materials that should not be on those buildings, they are removed as quickly as possible", recognising the intervening measures that are already being put in place, with fire authorities doing their inspections and the advice they are giving to building owners. That is the responsibility that building owners have.

Q28 Matt Western: Would it not be easier just to mandate a time limit?

James Brokenshire: I understand that, but I suppose, from the previous conversation we have had, that that sense of urgency is one that I do feel very keenly. That is why I set out the additional steps that I was putting in place: the new ministerially chaired meetings that will now take place, again to really drive progress and momentum around this even further. Progress does need to be advanced quickly. Different buildings may take different periods of time to remediate.

We obviously have had the challenge of some building owners not working with local government, which is why we have 170 private-sector residential buildings yet to be confirmed. Based on our previous experience of going through the 6,000 before, we would anticipate that might reveal that between 3% and 5% may have the ACM cladding materials used on them.

Nonetheless, there is a need to get that co-operation. Councils are now taking enforcement action to be able to resolve this. Therefore, whilst I would certainly like to give this Committee definitive timeframes, it is difficult when you are looking at enforcement action and when you are actually seeking to really put that pressure on to identify and then to get the remediation work commissioned and being undertaken.

Q29 Helen Hayes: Secretary of State, I want to turn now to the question of housing delivery. What concrete steps are the Government taking to achieve their ambition of 300,000 new homes being delivered each year by the mid-2020s? How will you ensure that a sufficient proportion of those homes are genuinely affordable and social homes?

James Brokenshire: The Government have committed a total of at least £44 billion around housing supply and other incentives, so there is the financial commitment there. Within that, there is £9 billion for affordable



HOUSE OF COMMONS

housing. I obviously announced the publication of a further prospectus in relation to about £1.67 billion for Affordable Homes to be bid into, which includes for social rent. I do understand that point very firmly.

It is also about the delivery that Homes England will need to do. There is the potential to look at the role that Homes England very firmly has and, again, how to put infrastructure in place and how to be able to unlock certain sites.

We had the example of that at Burgess Hill, which I announced last week. That is unlocking over 3,000 new homes; I want Homes England to do more of that. It is actually looking at this in all sorts of different fashions, in terms of what we are able to do through work with Affordable Homes, with housing associations and the work they are doing, and equally the opportunity that presents for new methods of construction. There are skills issues that sit within that and supply chain issues as well that we are working through.

There is also the National Planning Policy Framework. I intend to come forward with the finalised NPPF before summer recess, so the planning system as well, the funding. There are a range of different intervention points that we are taking to drive delivery on housing supply. That is very firmly part of our intent to get the new-builds, the new dwellings, up to the 300,000 level by the middle of the 2020s.

Q30 Helen Hayes: Do you plan to look again at the Government's accepted definition of "affordability" for affordable housing? Certainly, in my constituency, as is true of any London constituency and many other parts of the country as well, the definition of an affordable home, which is up to 80% of market rent, does not mean affordable for anybody who is not earning a very good salary.

You may have seen the figures published just recently about the percentage of social homes being delivered by housing associations. Some housing associations, including some very large housing associations building very high numbers of homes, are delivering a very low percentage of those homes at social rent. That means that homes are being delivered by housing associations, sometimes with Government subsidy, at a level of rent that, in large parts of the country, is not affordable for the people most in need of affordable housing. Do you have plans to look again at that?

James Brokenshire: What I would point to on that is the most recent announcement on affordable homes, with social rent being a key component with that. Equally, there is the £1 billion of additional financial borrowing flexibilities on the Housing Revenue Account for local government and the ability for councils to combine that with Affordable Homes. Indeed, there are flexibilities councils may have around social rent within that. I came under some criticism for the way in which that focused on those highest levels of affordability pressure. I think that was right, knowing that there are pressures and challenges.



As you rightly pointed out, there are challenges in London. Yes, of course there are different definitions. There is the London rent that operates in London, as well as obviously the social rent definition that we have set out there. I know the work that is undertaken. It is rather how I want to see delivery against those programmes, indeed seeing councils taking that initiative. I want them to use that £1 billion of extra borrowing to deliver more council homes. The opportunity councils have to drive this is very firmly part of my own agenda as we look to the delivery of the overall Affordable Homes programme.

- Q31 **Helen Hayes:** For as long as that definition remains in place, housing providers will be able, with Government subsidy, to deliver and have signed off homes that have the label "affordable" that are not meeting genuine housing need for those who are most in need of securing genuinely affordable homes. Is that not a problem?

James Brokenshire: It is in part about supply. The overarching challenge over, I suppose, so many, many Governments, over so many, many years, is on the provision of supply more broadly. The £9 billion the Government have committed will make a difference. There is that focus within that on social rent and, as I pointed out, the aspects that local government has to play around this.

This will make a big difference. Part of the approach that I am bringing to my role is about delivery. It is very firmly about how we ensure that the funding is applied, how we use Homes England to unlock more of that capacity too and how I think that will help drive change in a meaningful way.

- Q32 **Helen Hayes:** The Government's proposed new standard methodology for the assessment of housing need in the NPPF has come under extensive criticism from lots of organisations in the sector along the lines that it will lead to significant regional disparities. It is essentially a methodology based on the need to deliver more homes in areas that are currently under the greatest housing pressure.

I made the point in questioning one of your predecessor Ministers that, unless that methodology is joined up with the industrial strategy, it simply serves to further fuel housing market overheating in areas that are already under the greatest pressure. That view is shared broadly across the sector. Do you have plans to look again at that proposed definition before the revised NPPF is published?

James Brokenshire: I know this was a point that you raised to my colleague, Dominic Raab, I think, when he gave evidence to this Committee a little while ago. The standard method is intended to provide what we believe is a realistic starting point for assessing the number of homes needed for each area.

As I think Dominic highlighted in the evidence session, that is not a target. That is your starting point. That then leads to the five-year land supply and the broader issues within that. It relies on past trends, so



HOUSE OF COMMONS

does not account for changing circumstances, for example new infrastructure. Where growth is expected beyond historic trends, authorities are encouraged to establish higher lead figures.

All we are saying is that it is a methodology. It is a starting point for councils to use as part of their need and supply policies. Clearly, we have been consulting this through the NPPF. I will come forward with the finalised proposals for the NPPF very shortly. I think that the point has been made out clearly as to what it is intended to do. Obviously we will then finalise the NPPF shortly, accordingly.

Q33 Helen Hayes: Are you concerned that it will have the effect of placing further delivery pressure on local authorities like the two local authorities that cover my constituency, for example, that are already doing the most to deliver new homes, whilst letting local authorities that have perhaps been reluctant to step up to the plate on their housing delivery responsibilities somewhat off the hook?

James Brokenshire: In part, that is why we have introduced the housing delivery test as well, and obviously the consequences for local authorities that are formed within the housing delivery test. It is how we move increasingly to this plan-led process, which is very firmly what the NPPF is all about.

I believe that is something that will drive the environment and drive the change that is needed to see the housing need that is being met. It is about how you look at all of this in context, with the local housing need, the five-year land supply, presumption in favour of sustainable development, then obviously the housing delivery test itself. It is obviously something that has been considered in great depth as part of the original NPPF and led to the various different submissions that I am considering and finalising at the moment.

I believe that structure and system remains sound, albeit that I am just finalising my review of the different submissions that have been made to me as part of the NPPF consultation process.

Q34 Helen Hayes: Are you talking to colleagues in BEIS about the relationship between housing delivery and the industrial strategy?

James Brokenshire: Absolutely, yes. I was very pleased to see the construction sector deal that was set out last week. It is very firmly about how all these different facets build together. There is a need to ensure that we are looking at skills as well. I noted the work around apprenticeships, which was around, effectively, having a skilled apprenticeship for bricklayers that has been worked with the sector, which is really encouraging, and modular design as well.

It is also about unlocking different parts of the workforce to contribute in a way that may not be possible at the moment. I can certainly underline the engagement and activity that I am having in my role around the



HOUSE OF COMMONS

industrial strategy and obviously considering carefully what the needs are and working with colleagues across Whitehall to support that.

- Q35 **Liz Twist:** I have a really similar question, Secretary of State, but from a northern angle, if you like. One of the concerns of lots of northern authorities is that the impact of the objective assessment of need is to depress housebuilding figures in the north. Many authorities are concerned. We have heard that is intended to be a floor and does not stop aspiration. From my albeit limited experience, this is exactly the stuff that local plan examinations cover in detail: "How have you reached these figures? Where have you come to them?" Can you have a look at that again to take note of the aspirations of many northern areas, so that we do not get into that battle?

James Brokenshire: Yes, absolutely. I very firmly hear that aspiration and that intent. That is something I certainly do not want to discourage at all. I would underline that the methodology is based on historic trends, which simply show more growth in the south than the north. I would underline that the standard is a minimum, not a maximum, and there is absolutely nothing to stop local authorities planning for growth.

- Q36 **Liz Twist:** The point I was making is when it comes to examination of local plans, those figures are very often gone through with a fine-toothed comb. It is a case of making sure there is something in the NPPF that supports the view that this is a bottom line.

James Brokenshire: Yes. As I say, why I make the points in the way that I did is that it is that sense of a minimum, not a maximum. Authorities can certainly plan for growth in their numbers and their ambition, and that is something I firmly encourage.

- Q37 **Matt Western:** Secretary of State, I just wanted to question you on the term, "sustainable development", which you used. My local authority, Warwick District Council, often uses it. I am interested to know what your definition of "sustainable development" is.

James Brokenshire: I am very happy to perhaps write to the Committee with a longer-form response to the point you have made, Mr Western. Where an authority can demonstrate five-year land supply, developing land not allocated for development would not usually be considered acceptable. Where an authority cannot demonstrate a five-year land supply or fails the housing delivery test, the presumption around this does apply, and this means that land not specifically allocated for development is not necessarily ruled out.

The purpose of the presumption is to ensure that development is not stopped due to a lack of sites being identified and allocated by authorities. Obviously, where it does apply, decisions must still consider matters such as road capacity, landscape impact and design quality. However, the development is not necessarily unacceptable just because the land is not allocated.



There is quite a lot that is wrapped up in all of that, but that is certainly the clear presumption in favour of sustainable development. Equally, to clarify, there are obviously a number of areas where the presumption does not apply, including the green belt, national parks, areas of flood risk and ancient woodland. The revised NPPF does not drastically change the presumption, but it makes the wording clearer and, in our judgment, stronger.

Q38 Matt Western: Are you happy with that?

James Brokenshire: I will be publishing the finalised NPPF. Therefore, I am still reflecting carefully on the submissions, so I cannot go completely nap at this particular session of the Committee because I do not want to prejudge or pre-announce the finalised NPPF. That is obviously how we have sought to consult, and I will finalise my ultimate view when I publish the NPPF very, very shortly.

Q39 Matt Western: You arrived in the Department relatively recently, and I am sure that if you had had a run up to this of a year you might feel differently about it. When we are talking about sustainable development, we do not seem to consider sustainable communities, e.g. an ageing population or the pressures on those people on low incomes, and the pressures therefore on housing. In that context, I wonder whether we should be modifying the term “sustainable development” to recognise the social side of this.

James Brokenshire: There is a very interesting and relevant point about the need for homes that will last the person’s lifetime—it comes back to some of the conversation and discussion that we were having over social care in the earlier part of this session—and, therefore, how people will grow old in their homes and whether they will remain there, along with the issues of adaptations and other pressures that I know we all sometimes see with some of the issues that are flagged with us individually.

Equally, there is the thought that we are now living longer and, therefore, also a concern over the nature of the housing stock available to support people as they grow older. That is actually a longer-form discussion that is not an irrelevant one, if I can put it like that. There are considerations here.

As we look to the homes of the future, design and quality are equally important for me, which is why I made the point about it not being simply about chasing a numbers game. It is about that sense of community, that sense of identity to place, that sense of where you grow up and the way in which communities have that grounding that allows strong communities to develop socially and economically.

There is quite a lot wrapped up into the question that you rightly flag. Indeed, for me, it is also about the development of garden cities and garden villages that are able to create their own sense of space and



HOUSE OF COMMONS

identity. That is why in the NPPF the design codes and other aspects around that are important for local council, as they draw up their own plans. It is about homes for the future; it is not about flats, houses or units, but homes. That is very firmly where I am at in terms of taking this agenda forward, so that you have that sense of identity to the place that you live and the community you live within as well.

- Q40 Kevin Hollinrake:** There is an acknowledgement within the NPPF, other policy papers and the White Paper that we need to move away from the current dominance of the big developers and diversify the market in terms of supply. To deal with this, you are talking about more small sites.

There is a slight difference between what the Chancellor said in the Budget and what is in the NPPF. He said that 20% of supply would come from small sites, which is quite clear, and is ambitious, whereas the NPPF talks about 20% of sites in a local plan being small sites. The difference there is that 20% of supply is clear, but for 20% of sites, you could have eight sites of 100 units each and then two sites at five units or 10 units each, and you would be at around 2% of supply, using that policy. There is a big difference between the two. Can you just clarify exactly which one is right?

James Brokenshire: I recognise that this is an issue; it is something I am considering carefully as part of the different submissions that have been made as part of the NPPF consultation process. I do not necessarily want to avoid your question, Mr Hollinrake, but all I can say is that it is something I am very conscious of and that I am considering carefully as we finalise the NPPF.

- Q41 Helen Hayes:** Your predecessor said that he would like the Government to take advantage of historically low interest rates and borrow in order to deliver thousands of new homes. What discussions have you had with the Chancellor about taking forward such proposals?

James Brokenshire: I suppose it touches on the comments I made earlier on about local councils and the additional borrowing we are seeking to give through the additional £1 billion of Housing Revenue Account changes. I want to see that being utilised fully; I want to see councils harnessing those flexibilities. It does provide a real opportunity for a shift in council building, which is something I warmly encourage.

- Q42 Helen Hayes:** So far the release of the HRA borrowing cap by the Chancellor has been only in areas of the highest housing market pressure. Should the Government go further and release the cap for all councils? This is particularly bearing in mind that this is the only restriction on local government finance of its type; it is the only area of local government borrowing that is capped in this way. Is it not time to bring that to an end?

James Brokenshire: As I said in a previous answer, Ms Hayes, on this release of £1 billion, for good reason we have focused on the challenge



HOUSE OF COMMONS

you gave me on the areas of highest affordability pressure. I want to see this used well; I want to see councils really delivering and underlining the good utilisation of the HRA borrowing flexibilities we have announced.

It is worth underlining that there are other pressures on how this is scored in relation to overall Government debt, and therefore there is a need to keep that in context. I am pleased we are getting the details out to councils so they can harness this, move forward and actually demonstrate they are using it, so we are able to consider next steps in respect of its utility, the way it can be used and the way it will deliver new council homes for communities across the country.

- Q43 **Liz Twist:** I have a follow-up on the Housing Revenue Account. There are authorities not in high-value areas that have housing need and that are willing and ready to build, like my own in Gateshead, and yet we are still stuck with the Housing Revenue Account cap. Can I ask you to think again about raising the cap more generally so that we can get on with housebuilding?

James Brokenshire: I appreciate your challenge to me, Ms Twist. In terms of the announcement that has been made over the £1 billion, we have sought to prioritise those councils with the highest affordability pressures, although there are other challenges that I equally feel. All I can say is that we will continue to keep this under review.

Obviously, it is about seeing that delivery against the additional important flexibility that has now been given over HRA borrowing. I make the point that I want to see councils demonstrating what can be done through that so that we are able to consider next steps and what further opportunities there may be, recognising the challenge that you understandably would make to me from your own area.

- Q44 **Chair:** It is not very ambitious, Secretary of State. Your predecessor was talking about £50 billion. There is a massive housing crisis and a broken housing market. Those are words the Government have used. £1 billion is not really going to be more than a drop in the bucket, is it?

James Brokenshire: I would point to the £44 billion that we as a Government are investing. That does not show any lack of ambition or intent. The point I make is that there is the initial HRA borrowing release that we have now implemented; that is positive. I want to see councils getting on and delivering. Therefore, it is about ensuring there is delivery against this. That is my desire.

Yes, I want to see councils building. There is real opportunity there, but it is about demonstrating that. I hope, therefore, we are able to move forward and really see councils unlocking the huge potential they have, for which I do have clear ambition.

- Q45 **Chair:** Okay, but you will accept that there are some councils who do want to get on and build who, under the current rules and restrictions, will not be able to.



HOUSE OF COMMONS

James Brokenshire: Yes, of course. That is reflected in the prospectus on the way in which the HRA borrowing release has been set out. I recognise that there are councils that will be disappointed by that; I hear that. It is about how we can use this initial funding stream to have the biggest impact and deal with the challenges that have been flagged to me this afternoon in terms of pressures over affordability, while obviously wanting to see that delivery, knowing that I welcome the ambition the councils have. I hear that very clearly in the Committee this afternoon.

Q46 **Chair:** If they do well, hopefully that will persuade the Treasury to be a bit more generous next time

James Brokenshire: I suppose it is about how we see that delivery against this funding stream that has been allowed and permitted through the £1 billion. This is why I make the point very clearly to this Committee that I want to see that succeed. I really want to see councils getting on and building, because that really makes the case for what councils are able to do and that ambition that I hear very clearly this afternoon.

Q47 **Matt Western:** I was going to ask a similar question about ambition, but you have now demonstrated that you are clearly ambitious, which I thought you might be. I also sense, genuinely, that you are more concerned about this topic than your predecessor, which is encouraging to hear.

Why can we not be more ambitious and actually state some figures? We can look at Macmillan and what he achieved in the early 1950s. Whether you talk to housing association providers or even the private sector, everyone involved in this sector says that to meet the targets we are going to need a significant supply from councils. What figure do you want to see?

James Brokenshire: I will give you an ambition, Mr Western, of 300,000, which does take you back to those times you alluded to. Yes, going back to Macmillan, if I look at the mix of distribution, there was a lot more council housing overall in terms of the balance that was being delivered at that time.

We obviously now have housing associations that are delivering. We have the private sector. Obviously, there is the additional flex we are now giving councils to deliver. I do see all of this as part of that mix. Indeed, there are other sectors. There is community. I know that some of my colleagues lobby me around self-build as well. Therefore, you have to look at this across the piece in terms of where we are able to deliver. I do not understate the contribution that I believe councils can have within that overall mix to deliver on our ambition and intent of the 300,000, which very firmly takes us back to those high housebuilding levels that we need to get back to.

Q48 **Matt Western:** I appreciate that, Secretary of State, but the question was about the figure you set in your mind as an ambition for council



housing being delivered per year? If you speak to the housing associations and the private sector, they are all saying, "We are at our max in private", or, "We are at our max in housing associations". The councils have to step in, and there is a huge gap in the actual objectives set by Government and the delivery. Do you want to see 80,000 or 60,000?

James Brokenshire: It is interesting, because your question was premised on the basis that things are maxed out elsewhere.

Matt Western: That is what they are saying.

James Brokenshire: It is why the work Sir Oliver Letwin has been undertaking in relation to the build-out, for example, is so important. Parts of Oliver's initial assessment are really important. He is still to come forward with his recommendations; he will come back to me and the Chancellor later this year. They go to the build-out rate, particularly in relation to the private sector, on what Oliver would term "the absorption rate", which is almost the maximum amount that is capable of being delivered over a particular period of time in terms of demand and supply and where that pitches on price in the private market.

There are ways in which you can challenge that: you can challenge that in terms of the way in which sites are developed with a greater mixture of development taking place in parallel rather than necessarily sequentially. That is an issue I know Oliver has been looking at and will look at as well. You do then get into challenges over ensuring we have people with the right skills to be able to do the job. Oliver highlighted the issue with bricklayers. There can also be challenges on supply of materials.

All I am saying is that it is fine, and perhaps we can come back to this in a future session once we do start to see the way in which councils are able to harness and use the initial £1 billion that is set out through the HRA borrowing issues. That will give a much clearer indication of where that level of ambition can or could be, and it will inform that debate further.

That is one for another day, Mr Western, but I do not underestimate the import and the real benefit that councils have in this overall mix on delivering homes for the future, but there are also challenges on the presumption as to how we get other parts of the sector delivering more speedily and more effectively, and we must not lose sight of that either.

Q49 **Matt Western:** The sum of £1 billion will deliver what—about 12,500 houses?

James Brokenshire: We will wait to see what comes back from councils on their bids, because it is how they are able to blend this with, for example, other flexibilities within the Affordable Homes programme as well. I do not want to prejudge the ambition that I hope councils will have in respect of not just looking at this in isolation but also looking at



HOUSE OF COMMONS

this in terms of how they are able to utilise other projects and programmes around this to deliver the most homes possible within that.

- Q50 Matt Western:** Can I move on to the private rented sector? You will be aware that the Government's response to our report on the private rented sector somehow did not agree with us about the Housing Health and Safety Rating System and its desperate need for overhauling, despite the significant evidence we received from tenants, landlords and agents that there was an urgent need for minimum standards across the private sector. Why did the Government not accept that recommendation? Why did you not accept that recommendation?

James Brokenshire: The Government have not rejected the recommendation to update the baseline assumptions that underpin the Housing Health and Safety Rating System. We accept it has been a number of years since the methodology has been introduced.

We made clear that we will now carefully consider whether the Housing Health and Safety Rating System framework and associated guidance needs to be updated. In doing so, we would certainly need to reflect on who is best placed and has the necessary expertise to carry out such a review.

I could certainly say to the Committee that it is that review that is the appropriate way forward. I just want to clarify and confirm that this is the position the Government is taking, rather than simply rejecting that ab initio. It is rather about how we update it and how we look at the underlying methodology in the way that I have outlined.

- Q51 Matt Western:** The evidence was about a complete overhauling, and you are saying you are talking about updating. There is quite a difference, really, is there not?

James Brokenshire: I suppose that is the difference. We want to look at those baseline assumptions, consider those in that way and update where there is a need for them to be updated. That is just the preference the Government have in relation to looking at this, recognising the points that were made to the Committee around this.

In addition to considering whether the framework and guidance need to be updated, we will also explore the scope for introducing minimum standards as well.

- Q52 Matt Western:** On selective licensing, we received very strong evidence that the 20% cap was low. In actual fact, we called for the cap to be lifted altogether, as it was contrary to the spirit of localism. The Government response does not seem to entertain any change to the cap at all. Why are you so averse to allowing local authorities more power in this area?

James Brokenshire: Ultimately, we think licensing should be targeted to deal with specific local problems. Blanket licensing would impose



HOUSE OF COMMONS

unnecessary costs on responsible landlords. There is a risk that it would be potentially passed on to tenants in the form of higher rents.

Again, what I can say is that we will shortly be undertaking a review of selective licensing to understand its effectiveness as a local enforcement tool. We will act on the evidence from this review to ensure that licensing is delivering for local authorities, landlords and tenants.

Q53 Matt Western: Enforcement is an issue. One of the routes of redress that was proposed was a specialist housing court, but there does not seem to be much further detail on that.

James Brokenshire: On the concept of a housing court, we will be calling for more detailed evidence of people's experiences in the autumn. There is further work that is appropriate around this. Having this in one place is one idea that has been advanced in relation to the benefits of a housing court. It is not something I am necessarily adverse to. It is about how we can look at further specialist evidence and get that call for evidence to assist on the next steps. There are different experiences people have on speed and availability of redress. Therefore, it is right that we do look at this proposal carefully through that call for evidence.

Q54 Matt Western: You would approach the Ministry of Justice and others in that.

James Brokenshire: Yes, we would co-ordinate with the Ministry of Justice around this. It is an idea that has been advanced. I have heard it from different sources over the last number of weeks. It is an interesting idea for how we can put this into one place. It is about assembling the evidence and therefore working with my colleagues in the Ministry of Justice around that, but it is something that is very firmly on my radar screen.

Q55 Mr Prisk: On the private rented sector, the Government have previously made positive noises about the need for agents—letting agents, though this applies just as much to estate agents—to be qualified in order to operate in the market. I know there is a consultation that incorporates that proposal. Is this something that the Government still see as a priority? A lot of people feel this will be a more holistic approach, if it is applied, to ensure we root out the crooks, raise the standards and enable people to have confidence in this market as consumers.

James Brokenshire: There is this broader issue of redress, which is what you are pointing to, Mr Prisk.

Q56 Mr Prisk: It is slightly separate in the sense that it is about whether or not the agents themselves are qualified in order to trade as agents.

James Brokenshire: On the agency side, that is something that we will clearly discuss further with BEIS as to what appropriate standards are. Obviously, there are existing redress frameworks that do apply. We have the three schemes that are compulsory for estate agents, letting agents



and property management agents. We are now looking at landlords to be a member of a redress scheme to ensure all tenants have access to effective dispute resolution when things go wrong.

I will certainly commit to the Committee to look further at this point in relation to standards for estate agents. That is the point you specifically highlighted, Mr Prisk. It does look at that overarching point on ensuring we seek to mitigate when things go wrong, which in large measure is why some of those obligations around redress schemes are there: to keep people focused and also to ensure that that of itself should drive better standards, better practice and give that right of redress for people when things do go wrong.

Q57 **Chair:** Secretary of State, when you are thinking through this, I hope you think about it from the point of view of tenants. The Government quite rightly have talked about rebalancing power between tenants and landlords. There has been the Tenant Fees Bill; there has been Karen Buck's Bill, which the Government are supporting.

James Brokenshire: Yes, absolutely.

Chair: In all these cases, tenants may have to go to court to get enforcement. Courts are often a very challenging and difficult place for tenants. A judicial framework would be easier for people in that circumstance to enter into and get justice from.

James Brokenshire: It is that work that we want to do with the Ministry of Justice to understand the experience of all users of the Courts and Tribunals Service, including in terms of timeliness and accessibility. It also goes to the issue of the consultation I have launched over longer leases. It is about giving that sense of confidence to tenants about being able to complain about conditions and the issues they may have. The point you make about tenant voice is one that is well made and therefore does need to be considered and reflected on as we assemble the evidence over the housing court.

Q58 **Matt Western:** On the social housing Green Paper and consumer redress, I think I am right in saying that the paper was going to be published before recess.

James Brokenshire: Yes.

Q59 **Matt Western:** Following on from that, what sort of timeline are you looking at in terms of the delivery of reform?

James Brokenshire: There will be different parts to the Green Paper. I can certainly highlight that we have been reflecting very carefully on the around 7,000 submissions we received in advance of formalising the Green Paper on our online feedback tool. There are 1,000 people within that living in social housing who were engaged directly, with Ministers taking part in a number of different sessions.



HOUSE OF COMMONS

If legislation comes through from the responses to the social housing Green Paper, that will necessarily take a certain period of time. I suppose it is about how we take that step back on some of the issues of, yes, supply, which we have spoken to, and therefore the impact that has, but also fundamentally it is about some of these issues of stigma, of the way in which, wrongly, people think about people who are living in social housing. That was a very firm and clear message that came through from the feedback that did come through. Equally, to touch on the last conversation, there are issues of redress as well.

As always when you come forward with proposals, there will be those that are statutory and those that are non-statutory. Obviously, we want to have a period for feedback from the Green Paper, which will be the normal standard period for that.

Again, we have to recognise some of the really profound issues that came through from the broader issues from Grenfell Tower and some of the feedback we have received as a consequence of the consultation and the conversations that have taken place—indeed, that has also been with councils and other bodies as well—during the development of the Green Paper. We want to get on with that, but, as I say, there will always be certain things you can do more quickly than others.

Q60 Chair: In terms of redress, you have not appointed a Housing Ombudsman again, for the second time of attempting. Are you going to look at the possibility of a reform of the whole system so we have one property services ombudsman?

James Brokenshire: There are certainly arguments around that. We have heard that people do find current arrangements complicated, and we want to understand how to make things easier. A single Housing Ombudsman is just one of the options for doing that. There is certainly merit in examining this further, particularly as regards how we ensure that redress. I should highlight that, yes, I did decide that I was not satisfied with the strength of the field that was presented to me when I came in as the Secretary of State. It is an incredibly important role, and I want to ensure we get the right permanent appointment.

David Connolly, who is the Deputy Local Government Ombudsman, has been leading the Housing Ombudsman Service for the last year, as you know. David will step down at the end of August, and I pay tribute to him for the work he has done. At that point I will appoint Andrea Keenoy, the current Director of Finance and Corporate Performance at the Housing Ombudsman Service to this position on an interim basis. I am confident that she will provide the stability and leadership the service needs while I appoint a permanent Housing Ombudsman.

For me this was about the decision to get the right person, knowing the significance of this, but I am content that the interim arrangements will provide that stability, continuity and expertise that will be needed. I do



HOUSE OF COMMONS

want to see a strong field and have a permanent Housing Ombudsman appointed at the earliest opportunity.

- Q61 **Chair:** In terms of potential reform to create a joined-up Housing Ombudsman Service for all housing and property issues, are you going to proceed with a consultation on that? Are you still thinking about it?

James Brokenshire: We have had a number of different priorities that we have been maintaining around this. In social housing, redress will be a key component as part of the social housing Green Paper. I want to understand how people respond to that. I am considering carefully the opportunity to be able to consult more broadly around that to inform next steps as to whether simplifying the system by creating a single ombudsman is the right way of doing things. There are other ways in which this could be achieved. The Green Paper provides us with an opportunity to look at redress from the social-housing side and whether, in parallel, that points to looking at this more broadly.

Chair: If the Select Committee could help in that process, I am sure we would be very willing to.

James Brokenshire: Thank you.

- Q62 **Mr Prisk:** When will the draft Bill to prohibit unfair long leases be published?

James Brokenshire: We are in the midst of consultation. I cannot confirm a date to the Committee this afternoon in respect of that. All I can say is that we will publish at the earliest opportunity, but I do recognise the pressures and the desire to make progress on this. Regrettably, I cannot be definitive for the Committee this afternoon.

- Q63 **Mr Prisk:** You are not going to tease us with a definition of “summer” lasting to October, then.

James Brokenshire: All I can say to the Committee is that it will be published in due course, but I cannot be definitive this afternoon. I am sorry.

- Q64 **Mr Prisk:** In terms of the scope, I have good examples in my own constituency where people are trapped now in homes that are subject to these unfair terms. Would the Bill consider retrospectively leaning back or reaching back, as it were, in order to be able to help those people, or will it just be confined to new-build, as was originally discussed?

James Brokenshire: There is obviously the work that has been ongoing around unjust and unfair leasehold terms. It is something that I have already felt and sensed very keenly on the challenges that are involved. We obviously have collected over 1,000 stories from people with onerous terms. They have given me the evidence I need to maintain pressure on developers and freeholders. Frankly, in a number of cases, they should be ashamed of some of the practices that are going on. As you will know, Mr Prisk, the Law Commission has worked to make



HOUSE OF COMMONS

enfranchisement fairer, cheaper and more transparent. That will help. The easier we make it for people to buy their freehold, the sooner they will not be held to onerous terms. I am very firmly concerned by unjust and unfair leaseholds.

What I can say on the overall timing is that we will consult over the summer about how we ban new leasehold houses and restrict future ground rents. I want to put the consumer first so they get a fair deal, but I am also listening very intently to those who are worried about the impact on supply. On existing terms, it is complicated because a lease is effectively a form of contract. Once a contract has been signed there are more limited opportunities over intervention. As I say, a number of developers have introduced some schemes to compensate individuals. They should go further and faster. I am still looking at this carefully, recognising what are some pretty appalling practices that I have had presented to me in the time I have been in office.

Q65 Mr Prisk: At the moment you are not ruling out the possibility that the legislation could be applied retrospectively; you are considering it.

James Brokenshire: Candidly, it is very difficult, just because of the existing legal contracts that are there. There are certain limited rights of existing redress, for example under the Consumer Rights Act, but that has certain limitations and inhibitions attached to it.

That is why the work of the Law Commission over enfranchisement will make some difference, but I am very clear that abusive practices in the leasehold market have no place in a modern housing system, and neither do excessive ground rents, which exploit consumers, who get nothing in return. I want to ensure that the leasehold system in England is fair and transparent for consumers so that, to come back to my initial theme, people can truly see the place in which they live as their home.

Q66 Mike Amesbury: Secretary of State, why are you not in a position to give us a strong indication as regards a date?

James Brokenshire: I have stated that we will be consulting on this over the summer. This will be about how we ban new leasehold houses and restrict future ground rents. That is the timetable I am working to. We are awaiting the input from the Law Commission as well. That will be available later this year. This is a much broader piece of work that they are doing in relation to leasehold. Those are effectively the limiting factors. It is not that in any way that should be taken as a lack of recognition or a lack of the intent that I hold as Secretary of State in responding to some of these really abusive processes.

Indeed, I made the point around new government funding schemes and around the use of leasehold for houses. We are already taking some steps. I do not deny the significant issues and concerns people have flagged up very firmly, but it is a question, first, of getting the consultation out over the summer and, equally, receiving the broader



HOUSE OF COMMONS

advice from the Law Commission over their examination of leasehold more generally. That is detailed. I want to get this right. There is a lot that is wrapped up into this, but I do not deny at all the significance of this, the concerns that are there and the need for change.

Q67 Kevin Hollinrake: Secretary of State, you stated that you would want to clamp down on excessive ground rents. How do you define “excessive”?

James Brokenshire: One of the issues we will be consulting on is the detail. I know some sectors have made a case around this. For example, the retirement sector has stated that there are specific issues in relation to their sector. I am listening to what they are saying. I have not made any decisions yet in respect of this. Obviously, we will set out our position firmly in the consultation paper to inform those next steps.

Q68 Kevin Hollinrake: Because you stated it is moving towards a peppercorn. That could be defined as close to zero.

James Brokenshire: Yes.

Q69 Kevin Hollinrake: In the situation where you have a block of long-leasehold apartments, if there is somebody who owns the ground rent, the owner can act as an arbiter in certain disputes for that building. If there was no revenue at all or no commercial interest in a person owning a ground rent, do you accept there might be a problem due to the absence of an arbiter in that situation?

James Brokenshire: Some people have sought to make out that argument. I am not persuaded. I know some would say there is a balance between the effectiveness, as some would argue, in relation to a ground-rent structure as contrasted with what service charges deliver. I hear that argument; it has been played out. I am not convinced that makes the shift, which is why it is right that we move on with the consultation around the implementation of this. As I say, there are certain sectors that have sought to advance arguments as to why there may be a need to reflect on that particular sector. As I say, I have not reached any conclusion in respect of that. Given the egregious behaviour we have seen, it is absolutely right that we move forward with this, and that is why I want to see that consultation over the summer.

Q70 Chair: Will we get a draft Bill after this?

James Brokenshire: This is why I make the point about the work the Law Commission are doing more broadly around leasehold. The consultation will focus firmly on the banning of new leasehold houses and restricting future ground rent. It will focus on that, but draft legislation is more linked in the round to the Law Commission’s review. That is why I was not able to be definitive. I was not being deliberately unhelpful. I want to see that Law Commission advice in terms of then informing the next steps around the draft Bill.

Q71 Mike Amesbury: When will the new devolution framework be published?



James Brokenshire: I am very conscious of the manifesto commitment to provide clarity on what devolution means for different administrations so that all authorities operate in a common framework. We aim to be able to provide local areas with this clarity in terms of how best to take forward their devolution and local growth ambitions over the coming months. We recognise that mayoral governance, for example, will not be suitable for all areas. That is why we agreed a non-mayoral devolution deal with Cornwall back in 2016.

I understand that one size does not fit all, but perhaps I can talk to some of the criteria we have used as the basis for the assessment for devolution proposals. One of them is that there is a clear, coherent geography for the deal area, within which there is a consensus and a strong partnership amongst local leaders. Secondly, there is a question around whether the governance structures being proposed by the place are strong enough to justify the transfer of the powers or budgets the place is asking for. I suppose those are the two basic questions we would ask in respect of deals, but we will provide further clarity in the coming months.

Q72 **Mike Amesbury:** How would you respond to the charge that devolution has ground to a halt? Are you going to be the Secretary of State that gives it the kiss of life?

James Brokenshire: I hear that challenge, but, as I said in one of my initial interviews, there is still the space and opportunity for further devolution. I view that in two ways: in terms of what might be regarded as the existing devolution model but also on a much more micro level, on how we see almost like community-led devolution. This is actually about how we look at powers at a very, very local level and ways in which you cascade power down and that sense of community and identity to the place that you live within, which I have spoken about in an earlier part of this session.

Equally, this is about what scope there may be. There are some interesting examples around the country that you can point to. We will be holding a communities conference later this year to start to open up the discussion around that, in terms of what that more ultra-local devolution can look like, as well as obviously continuing to look at opportunities for greater regional devolution and other devolution deals being there.

Q73 **Mike Amesbury:** The new metro mayors have been in post for 12 months. What is your assessment of their impact on delivery?

James Brokenshire: They are really beginning to show local, visible and innovative leadership. They are making some real contributions to the areas where we have those metro mayors. You can see the contributions that people like Andy Street have been making, with his negotiations to look at the attraction of different events to Birmingham. You can look at the way in which Andy Burnham in Manchester has really responded to a



HOUSE OF COMMONS

number of different challenges he has had to meet there. Obviously, the Manchester Arena bombings are very much at the forefront of my mind around that.

It is also the fact they are forging international links as well. They are looking at their areas in terms of attracting investment and how they take on new responsibilities. They are demonstrating the strength and power of having mayors in place. That is exciting and innovative. It is something that I am pleased to support. They are already showing how having that leadership and that ability to bring people together can really make a difference.

Q74 Mike Amesbury: Do you intend to give them more powers and have genuine fiscal devolution?

James Brokenshire: We need to consider this carefully. There are obviously different ways in which some regions are seeking enhanced powers or how to enhance their roles further. One size does not fit all. We will need to continue to look. As I say, I am carefully considering the design of a devolution framework that will provide greater clarity on what successful devolution in England looks like. I do want to set out further proposals in respect of that in the coming months.

Q75 Chair: It is interesting that you are still looking at and working on the devolution framework, because in February your predecessor said the work was almost done. I know "shortly" in departmental terms often stretches a bit.

James Brokenshire: I am a new Secretary of State looking at this in my own way and afresh. The agenda of communities is one that matters to me a lot. I am looking at this in a different frame. I spoke to that sense of real localism as well and how that plays into this. Whilst I understand the desire to see the framework published, I am looking at this as a new Secretary of State in my own way. Yes, that may mean that "shortly" from February is feeling a bit longer than might otherwise be anticipated, but it is something that I am looking at. For me, this sense of devolution and what that means for local communities matters a lot for how we create strong communities socially and financially, and how this fits into that agenda

Q76 Chair: Will it be in the autumn?

James Brokenshire: Yes, I want to come forward. That is in part why we are having the communities conference: to look at a range of issues around the broader communities agenda. Yes, I want to get the framework out. Obviously that is not going to happen before the summer, but I would want to come back in the autumn very firmly to set out that sense of intent and also the framework that I hope will assist on that.

Q77 Liz Twist: Secretary of State, I want to return to something that else that was in the "pending" pile, which is the funding model for supported



HOUSE OF COMMONS

housing. Do you know when you are likely to announce the final funding model for supported housing?

James Brokenshire: I am conscious of the response to the October 2017 consultation confirming the arrangements. Again, on this I can say that it will be soon, because I understand the need for the sector to have that sense of clarity. We did set out different proposals in the October announcement. I know how important short-term supported accommodation is to vulnerable people, particularly at times of crisis. We will be responding on this very, very soon.

Q78 **Liz Twist:** Just to make the distinction, there is the very short-term supported housing, which is in terms of crisis, as you have mentioned. This is not just for older people but for a range of groups.

James Brokenshire: Yes, absolutely.

Q79 **Liz Twist:** There is also the longer-term sheltered housing and extra-care housing. There has been a lot of uncertainty. Will housing costs for the majority of those tenants living in supported housing continue to be met through the benefits system for both short-term and longer-term housing?

James Brokenshire: I understand the desire to get clarity on that very important point. We have listened intently to the feedback that we have received from the sector. We will provide a formal response from the October 2017 exercise shortly. Obviously, that will be a core issue in terms of that response.

Q80 **Liz Twist:** Looking at another aspect of the same issue, funding for domestic violence refugees, we know there was an announcement last week of £19 million, for which local authorities and partners could bid. Would a national funding mechanism not be better, as this Committee originally recommended and as has won a lot of support from other organisations?

James Brokenshire: I know that refuge provision and that support around domestic abuse is absolutely key. I know there are other services around outreach and community-based services as well that a number of local authorities are putting and have put in place. There is some really good practice out there.

Of course, we did announce nearly £19 million of additional funding. Since 2014 we have invested around £33.5 million in services to support victims of domestic abuse, including refuges. It is important that the two-year deal that was announced should not be seen in isolation. We judge that this is the right way to proceed. Obviously, it does provide this additional support for two years for domestic abuse. We will reflect further at the end of that two-year period.

Q81 **Liz Twist:** So this will not be part of the outcome of the review of supported housing that was taking place in 2017.



HOUSE OF COMMONS

James Brokenshire: They are interlinked, but they are slightly separate, if I can put it like that. Obviously, we have updated our priorities for domestic-abuse services, which is published within the prospectus around the £18.8 million that was announced around a week ago. Local areas will have a number of different ways of providing support.

The funding streams go further than looking just at accommodation. That is why I made the point I did about outreach and other services being delivered through that, which is why they are distinct. Yes, there is financial support that does go to refugees through this funding stream, but it does go to other activity too. Therefore, whilst it overlaps, it is right that it is distinct.

Q82 **Liz Twist:** So there will be an outcome as to how we are going to fund safe places for people fleeing domestic abuse in the future.

James Brokenshire: This is why I do understand the desire for a response around the supported-housing issue and the future arrangements in relation to that in the short term and long term. The additional funding that was committed at the start of this month is also very important in terms of supporting victims to remain in or near their homes with the right support services. There are different types of services that are being delivered through the £19 million of funding. It is about providing that support for people in critical need.

Q83 **Liz Twist:** I get that distinction and I get the fact there are other services, but there is a very specific concern about how refuges and other safe places are funded in the future, and I am just wondering when we and the organisations involved in providing these services can expect an outcome on that.

James Brokenshire: That is very firmly linked to having that clarity around the announcements in relation to the response to the feedback on supported housing. That is why I hear that very clearly and why we will be providing a response on that very soon.

Liz Twist: Just to reiterate, this Committee's current view is that a national funding mechanism might be something that is appropriate in these circumstances.

James Brokenshire: I hear the view of the Committee.

Q84 **Helen Hayes:** Secretary of State, we are nearly there, but I did just want to follow up on Liz's questions about supported housing. The supported housing sector has been in limbo since the back end of 2015, when the Government announced the LHA cap and the sector was thrown into chaos.

The Government then announced that the suspension of the cap would not apply to the supported-housing sector for an initial period of a year from the spring of 2016 into 2017. During that time, working jointly with



HOUSE OF COMMONS

the DWP Select Committee, this Committee produced our inquiry report shortly before the general election. There was then another consultation in October.

The Government's alternative proposals, announced in October, absolutely bombed, so the Government took an arbitrary period of two years. Nobody has ever previously defined two years as a relevant period for the definition of short-term supported housing.

There is grave concern for most of the sector but particularly, for example, as regards supported housing for people of mental ill health. For these people, the idea there is a threshold could be positively detrimental to their recovery. That is problematic. There is also concern that taking money from the benefits system and applying that as a grant guarantees no ring-fence and guarantees no opportunity for the funding within the sector to expand in order to meet what is already a deficit in terms of supply.

When is this going to come to an end? This problem of chaos has now been ongoing for two and a half years. It is a consequence of the Government's original mess-up on the LHA cap that has meant the sector has stopped building; lots of providers are still very uncertain about whether they will continue to sustain their provision into the future. This is a sector that supports some of the most vulnerable people in communities across the country. When will they have some certainty? When will they have a workable funding model that can guarantee provision into the future?

James Brokenshire: I hear all of those points very intently and very clearly, Ms Hayes. I fully recognise the vital role the sector does provide in meeting the very acute and actually complex needs of many, many vulnerable people.

It is worth noting that since 2011 we have delivered 32,000 units of supported housing for disabled, vulnerable and older people. We are committed to boosting provision of supported and older people's sheltered housing, to come back a little bit to Ms Twist's question. We have been working closely with the sector.

Again, what I can say is that we will be providing a response very soon, acknowledging the pressures the sector has underlined and some of the need for certainty. I hear that very clearly. Obviously, it is a discussion we are having with the Department for Work and Pensions in terms of providing that certainty at the earliest opportunity, but I hear very firmly the point that you make.

Q85 Helen Hayes: Finally, turning to the area of homelessness, the Government have set a target to abolish rough sleeping by 2027. How confident are you that the package of measures announced in June of this year is sufficient to achieve that target?

James Brokenshire: The package of measures in June will not be sufficient. That is why we will be coming forward with a Rough Sleeping



HOUSE OF COMMONS

Strategy. In essence the initial rough-sleeping initiative that you point to was a first step in relation to that. I know there is more we need to do to meet that intent and very firm ambition of seeing rough sleeping abolished by 2027. I acknowledge that, of itself, the initiative will get you so far but it will not get you far enough. We will be coming forward with a strategy. There will be further deliverables that will come through from that. Indeed, I would intend to have an annual refresh around that to maintain the progress and process.

Obviously, we have seen the investment of £30 million. We have seen the Housing First pilots, which are really important. Equally, I want the Housing First pilots to succeed and to demonstrate what we have seen in other parts of Europe. Indeed, I know of certain projects you can point to that are already showing the benefit of that here.

I want to see that work developing further and deepening, which is precisely what the Rough Sleeping Strategy is all about. I want to see that implementation to make the difference, which matters to me. That is why launching Housing First was actually the first announcement that I made, and the first visit I did was on homelessness.

Q86 Helen Hayes: Local authorities have expressed concern about the funding the Government have allocated to implement the Homelessness Reduction Act. Those concerns have been expressed from the very beginning and continue to be expressed. In addition to that, the Government have not made any commitment at all to funding beyond the initial two-year period.

I sat through the Bill Committee on that piece of legislation, where the claim was made again and again by the Minister responsible at that time that this Bill would end homelessness within two years and therefore no further funding would necessarily be required. That clearly is not the case.

If I look at one of my local authorities, Southwark, I see that they have recruited substantial numbers of additional officers in order to implement this new legislation very well using their trailblazer funding and the funding that has been initially allocated. That funding is going to run out very soon. If there is no commitment from the Government to fund the Homelessness Reduction Act into the future, those officers will not be able to be funded anymore and that work will be lost.

This Committee has asked the Government many, many times when a commitment will be made to fund the Homeless Reduction Act into the future and when our local authorities will be able to have the reassurance that they can continue the good work many of them have started with the funding they need in order to make sure it is an effective piece of legislation.

James Brokenshire: There was £72.7 million through the new burdens funding for the Homeless Reduction Act specifically for the administration of the new duties that sit alongside the rest of our funding package for



HOUSE OF COMMONS

homelessness services. We have obviously been working with the LGA, London councils and authorities to develop and test the assumptions underpinning the overall assessment.

What I would say is that the model is based on assumptions about what will happen in the future. That is why we have committed to reviewing the implementation of the Act, including its resourcing and how it is working in practice, concluding no later than two years after the commencement of the substantive clauses of the Act in April.

The commitment is there to do a review over the Act and in terms of resources. We will also carry out, in the same timeframe, a post-implementation review of the new burdens funding to review the robustness of our assessment of the established costs to local authorities and the underlying assumptions. Whilst I note the point you make about the two-year timeframe, we are committed to doing that review within the two years, including the new burdens analysis.

Q87 Helen Hayes: But the very serious problem with that timescale is that your review will only be concluding at the point at which local authorities have already issued the redundancy notices to the officers they have recruited to implement the Homelessness Reduction Act, because they will not have a decision from the Government about further future funding. That is a very serious problem with the timescale and process you have committed to so far.

James Brokenshire: What I would say is that it will conclude no later than two years after commencement. I obviously hear the point that is being made. It is not that I necessarily accept that the assumptions are not correct, but it is right that we do look at a post-implementation review of the new burdens funding, noting the financial support that is being provided over that timeframe and obviously recognising the need and desire to see the Act is well implemented. It is really important.

I know colleagues around this Committee have taken a driving role in respect of actually bringing it into law. I want to see it succeed, because it is an important part of the framework and a building block to deal with the issue of homelessness more broadly, which matters enormously. It is why the Act and the new duties matter, and why I very much welcome where we have good practice and want to see that that is shared and applied by authorities across the country to see that this is delivered well.

Chair: I am sure, Secretary of State, this issue will be coming back to us, along with many of the others we have already talked about today.

James Brokenshire: I am sure it will.

Chair: Thank you for coming this afternoon to give the Committee answers to such a wide range of questions.

James Brokenshire: Thank you very much. I look forward to working with the Committee in the time ahead.