AM: Welcome. You are going to have to do a heck of a lot to really convince people that the Conservatives are serious about housing, aren’t you?

SJ: Yes, absolutely. We have a housing crisis in this country, I’ve been very open about that. The government has been very clear about that and there’s a lot that needs to happen. And if it’s helpful perhaps I can just take a moment to explain what’s caused the crisis because it helps explain what the solutions are. For decades under successive governments we have not had enough homes built in this country. In England it’s averaged about a hundred thousand a year when it should have been around two hundred and fifty thousand. Like anything else when you don’t have enough of something but the demand actually in this case keeps rising, not only is it constant, but it keeps rising, is you see the prices rise. And now we’ve got average house prices that are eighty times average earnings.

AM: You make it so admirably bipartisan this crisis, but actually when the Conservatives came into power 7 years ago, 37 thousand of what we would call council houses, social housing, new starts were happening every single year. How many happened last year?

SJ: Well, we’ve – you talk about the affordable housing programme.

AM: I’m talking about social housing.
SJ: Yes, social housing which includes both affordable housing and council housing. What’s actually happened under Conservatives is on the last six years we’ve built more council houses than the previous 13 years under Labour. We’ve invested record amounts and we’ve just increased that by 2 billion.

AM: You’re combing two things there. 37,000 units of social housing were built by the last Labour government before the Conservatives came in. Last year it was less than a thousand. So if it’s a crisis it’s happened on your watch.

SJ: No, I would like to if I may just answer that. What we’ve seen since 2010 from the point the government changed, 343,000 new affordable housing over that period. You’ve just taken one year, I’m talking over the period including 240,000 new units for rent. What we saw under Labour was a decline of over 400,000 units, so we’ve seen a step change in delivery. But I’m the first to admit we have not seen enough in terms of housing delivery and we need to do a lot more.

AM: 2015, the Conservative Party Manifesto there was a promise in that from David Cameron to build 200,000 starter homes. How many of those have been built?

SJ: Well the legislation, part of the legislation has been put in place, there’s still some more work to do on that.

AM: None is the answer.

SJ: But we will be building starter homes but also what are starter homes? Starter homes are one type of affordable housing. What we’ve also said is alongside that we need to have a variation of products, of build to rent products for example, your shared equity type products, so we want to make sure there’s different types of products available but actually what is ultimately going to solve
the housing crisis, affordable homes, whether they’re starter homes or other types have an important role to play. But what’s really going to make the difference is we need a big increase in all types of home, including regular unsubsidised homes and that is at the heart of it.

AM: Okay. In civil terms we can agree, we have to have many, many more homes built –

SJ: Absolutely.

AM: - and quite quickly. Now there has been a suggestion in today’s papers for instance of some big new housing fund to build these houses. Would you support that kind of big measure?

SJ: We are looking at new investments and there will be announcements. I’m sure the Budget will be covering housing, but what I want to do is make sure that we’re using everything we have available to deal with this housing crisis. And where that means, for example, that we can sensibly borrow more to invest in the infrastructure that leads to more housing, take advantage of some of the record low interest rates that we have, I think we should absolutely be considering that.

AM: Well that’s really interesting ’cause that is a change in tone. Not along we were told we couldn’t borrow anymore or anything, but you are saying that housing is such a big infrastructure crisis in this country we should be borrowing more money to solve it.

SJ: Well I’d make a distinction between the deficit which needs to keep coming down and that’s vitally important for our economic credibility and we’ve seen excellent progress, some very good news on that just this week. But you’re investing for the future, taking advantage of record low interest rates can be the right thing if done sensibly and that can help not just with the housing
itself but one of the big issues is infrastructure investment that is needed alongside the housing.

AM: By sensibly do you think things like housing bonds, other ways of raising money long term would be a good idea?

SJ: I’m not going to get in today what might be the method to that but I do think that we have to be – continue to be bold in this area. We set out some measures during the conference, there’s a lot more to do but this is one of the biggest issues facing the country

AM: it certainly is.

SJ: - it’s the biggest barrier to social progress in our country today.

AM: Absolutely agreed. But to be absolutely clear more borrowing is coming to build more houses. Have you got the Chancellor on board for this?

SJ: Well let’s wait and see what happens in the Budget.

AM: ‘cause if he says no it won’t happen.

SJ: No, but let’s look at some of the recent announcements. At the conference the Prime Minister announced an additional £2 billion going into social housing on top of the £7 billion we’d already committed. I’ve already set out a green paper that we’re going to publish soon on the social housing ...

AM: But we’re talking well beyond that I assume. These are relatively small sums.
SJ: But we are showing that in this area, alongside the Housing White Paper, some of the other measures we’ve announced, including today about the house buying process that we are looking at the whole housing sector, the whole process and making sure that it works better for everyone.

AM: What you’ve announced today is very different. It’s for people who’ve already got houses or are inside the housing market and it’s taking on gazumping. Can you explain exactly what you want to see happen?

SJ: Well, one thing I’ve also – alongside building more homes we want to make sure those people that are either renting or buying or selling get a better experience, that their needs are looked after. So today’s announcement is a review of the home buying process. So for example I mean everyone knows that gazumping is. People don’t like it. One in six people that go for the buying process say it puts them off and they have been gazumped and so I think it’s good to look at that and see what more can be done. We also want to look at how we can make better use of data. You know people who look for houses today one of the first things they will do is go online to look for those homes, so why can’t we make better use of technology and make the process cheaper, faster and less stressful?

AM: Of the money you’ve had available you spent a huge amount on extending the Help to Buy Scheme. Now it’s very rare that you get a right wing institute or a free market institute like the Adam Smith Institute agreeing with Shelter, but they both think it is a completely catastrophic way to spend money. All you do is you inflate the house prices which is the last thing that we need. Why have you not spent that money on building houses, rather than help them out?
SJ: Well I wouldn't agree with that analysis that you've just talked about. What the Help to Buy does is just that. It recognises we're not going to solve housing issues overnight, yet to get the volume up is clearly going to take time, I think people understand that, but people need help now and the Help to Buy programme has given them the confidence and actually has given builders confidence to build more. So I think having this announcement where we have increased that by an additional 10 billion over the next few years is important. It's an important part of the market, but it goes together with all the other measures that we're taking which combined will fix our broken housing market.

AM: How many more houses do you think needs to be built every year to solve the housing crisis?

SJ: So we've seen a big step change already since 2010 because some of the action we've already taken. So housing starts are already up three quarters –

AM: Okay and looking to the future, how many?

SJ: So I think we -- what I've said in the Housing White Paper I think we need to be aiming for at least between 275,000 and 300,000 a year from the current level of around 200,000.

AM: So that's the same scale as Harold Macmillan was building in the great years of house building.

SJ: It's a very similar...

AM: A huge scale and therefore requires a lot of money to pay for it, but this is not going to be as it were central government money simply handed to councils to build what we used to call council housing?
SJ: No of course not. It can’t all be council housing. Councils have a big part to play. Where there are ambitious councils that have plans we’ve already said come forward and we’re talking to a number of councils at the moment. Housing Associations have a big role to play, that’s why we just recently gave them long term rent certainty. But also the private sector I think has the biggest role to play and that’s where we see more delivery. There’s a role for that in government, making sure more land is released, but also for the builders themselves. When planning permission is given we need that to turn into a house. People cannot live in a planning permission and we need houses to be built more quickly.

AM: Do you believe in this great crusade that the green belt is still absolutely sacrosanct?

SJ: I believe the green belt deserves all its current protections, but what it does require is that local authorities where they do have green belt they need to make the decisions that are best for their communities and the starting point for that –

AM: They can only build more on the green belt if the government says you can build more on the green belt. What I’m asking you is is the government going to change the policy on the green belt in any way at all?

SJ: I don’t believe that we need to focus on the green belt here. There is lots of brown filled land that brown filled first has been a policy of ours for a while. There’s a lot more that can be done.

AM: But not enough houses have been built.

SJ: Density is a big issue. If you look at the density of London for example, so it won’t surprise your viewers to learn that London has some of the highest levels of demand in the country. The density in London is a lot lower than many other cities. Paris, Berlin, you can compare to most cities around Europe, so that’s
one area where you can expand more. So you need a holistic approach looking at all ways to build more and what we’ve said in the Housing White Paper I think is the right approach.

AM: Okay. Can we turn to another great housing crisis. A tragedy at the beginning of the autumn which is the Grenfell Tower disaster. So many people were burned to death. Now at that time it was suggested by a lot of people that the first thing we needed to do is to ensure that sprinklers were available in every single tower block of this kind and indeed in many other buildings like schools. Is that happening?

SJ: Well what we’ve - this for me has been the most difficult thing I’ve had to deal with in my life and talking with the survivors, meeting with them, no one should have to go through anything like that in any country, especially in 21st century Britain.

AM: You could honour all those people by ensuring that sprinklers were available in all such buildings. Will they be?

SJ: Well the number one priority has been helping the survivors and the victims. In terms of your question about sprinklers and fire safety what we have said is that for all social buildings around the country, all the social tower blocks is that whatever essential fire safety work needs to happen should happen and if the assessment that requires sprinklers then that should happen too.

AM: And will the government provide any money for this at all?

SJ: We’ve been very clear right from day one if a local authority cannot afford it then we will work with them and provide them the flexibilities they need to do that. They shouldn’t shortcut on any piece of work -
AM: So you will provide extra money for sprinklers if local authorities ask you?

SJ: We’ve said we’d work with them. We’d look at work with that –

AM: You’re not quite answering my question. Will you actually provide more money for sprinklers if they ask you to do so?

SJ: We will provide them the capacity to access those funds and that could be done in a variety of forms. We’re working out exactly what’s the best way.

AM: It’s very different if you say to them you can spend money on sprinklers as long as you take it away from something else, but we’re not going to give you anymore – versus saying this has been such a disaster for the country, such a terrible money that we as a government are going to put our hands in our pockets and spend more money on sprinklers which is what I’m asking.

SJ: We will make sure that any essential work by any local authority they will get the support they need to make sure it’s done. And that’s the most important thing, that the work’s done. So we are talking to a number of local authorities, you can imagine they’re in different positions and I think just over 30 have contacted us so far, three or four are asking for additional support and so we’re working with them and we will continue to do that.

AM: let me just read you two quotes about this before we leave the subject. The Chief Fire Officers Association – you know this quote – said that in 2015 ‘nobody had ever died in a fire in the UK in a property with a properly installed sprinkler system working the way it’s meant to.’ Nobody has ever died where there’s been a sprinkler system in. And you said, ‘It is not necessarily the case
that you have to have sprinklers.’ It is necessarily the case that you have to have sprinklers, isn’t it?

SJ: Actually the assessment, the professional assessment up until now has been all new buildings, all new towers from 2007 are required to have sprinklers. That is the current law. What we’ve done since the terrible tragedy at Grenfell Tower –

AM: There’s no requirement to retro fit those who don’t have them at the moment?

SJ: There’s currently no legal requirement and I think the correct response after this terrible tragedy was to review that law and many other fire safety measures and that’s exactly why we asked Dame Judith Hackett to have an independent review of both the building regulations, which I think there are clearly questions around that and also fire safety measures. And that’s the correct way to look at it. Now when she reports back obviously those recommendations whatever they are, and I’m not going to second guess them, they will be taken very, very seriously. That’s the correct way to do this.

AM: You were a City guy before you became a politician. I don’t know if you’ve seen Lloyd Blankfein, the Goldman Sax CO’s tweet. ‘Just left Frankfurt. Great meetings, great weather, really enjoyed it. Good, because I’ll be spending a lot more time there # Brexit.’ What’s your message to him?

SJ: My message is that let’s remember first of all financially Britain is the world’s financial capital already, London in particular. We represent probably -

AM: Are you sure that’s going to carry on?
SJ: I am very confident about it. I mean going even broader than that. Sometimes I think it’s worth reminding people how lucky we are to be British with everything we have in our favour, whether it’s our language, our business acumen, our creative industries, our universities, we have so much and let’s talk more about that and be very confident about the future.

AM: On that patriotic note, thank you very much indeed Sajid Javid.