

The Future Homes and Buildings Standards

NHF response to the Department for Levelling Up, Housing and Communities consultation on behalf of housing associations

1 March 2024

Introduction

The National Housing Federation (NHF) is the voice of housing associations in England. We represent almost 600 housing associations that own and manage more than two and a half million homes for around six million people. Our members also provide vital care, support and community services.

Housing associations represent an incredibly diverse sector of independent, not-for-profit organisations driven by their social purpose – to ensure everyone in the country has the opportunity to live in a good quality and safe home that they can afford. Housing associations are already planning to invest £70bn to make their homes zero carbon by 2050 and it is likely an extra £36bn will be needed.

We have not responded to every area in the consultation, instead focussing on areas that most affect our members and where we are best placed to comment. We would welcome any opportunity to work with the government as they take these regulations forward.

Please contact Marie Chadwick, Supply Policy Leader for more information via marie.chadwick@housing.org.uk.

Summary

Housing associations broadly welcome the proposals in this consultation and are keen that the government takes the opportunity to do the most to improve carbon efficiency and bring bills down for their residents.

The NHF would like to see the government commit to:

- Bringing forward “option 1” for the Future Homes Standard: heat pumps and solar PV.

- The longer transition period, “option 2”, to enable the sector and wider industry to properly prepare for and train staff to deliver the new requirements.
- Minimum standards of information provided for consumers, including digital instruction manuals.
- Ensuring the FHS applies to all properties, including those with a material change of use.

Performance requirements for new buildings

The proposals in this consultation regarding new buildings reflect work that many housing associations are already undertaking. As set out above, housing associations have invested large amounts in decarbonising their stock which not only supports efforts towards net zero but brings benefits for residents, many of whom are more likely to be at risk of fuel poverty and experience a greater impact with fluctuating fuel bills.

Warmer, more comfortable homes with lower bills is an approach the sector supports. The ongoing and increasing commitment for consumers in terms of hot water and heating costs as set out in Option 2 should be an important consideration for the government. Therefore, we would advocate for the government to pursue option 1 as the mandated standard going forward, both for those homes not connected to a heat network, and to those that are, for similar reasons.

As presented, organisations responding to the consultation are asked to prioritise low capital cost, lower bills, and carbon savings. There is a danger that these priorities are viewed as competing, and the government should avoid this critical issue being seen as a zero-sum game. Whilst the capital costs of development are a consideration for housing associations, many are already undertaking retrofitting projects and specifying higher standards in the development of their new homes where the private sector has not yet caught up. However, our members have raised concerns about the figures set out in the consultation document, with a view across the sector that the calculations around upfront capital costs being underestimated by as much as 50%. We would urge the government to consider this when taking these proposals forward and ensure that grant levels for affordable housing reflect the actual costs of building to the new specification, particularly given the significant financial pressures the sector is already [facing](#).

Updated guidance and minimum standards

Housing associations are supportive of proposals to affix operating and maintenance information to heat pump units in new homes. Our members believe that this information will be valuable for maintenance and servicing teams to have access to post-occupancy.

In relation to the operating and maintenance information set out in Section 10 of draft Approved Document L, we have received feedback from our members that they feel it will be useful for residents to have accessible information on the programming which optimises the efficiency of the heat pump and explains why certain pre-programmed cycles are needed, for example, legionella-cycling.

The introduction of these new technologies represents a real change from what consumers are familiar with. Accessing operating and maintenance information will be key to ensuring they work properly and result in the financial savings anticipated. It is important also to note though that in some cases it is unlikely that information on installations will be sufficient to enable proper use or generate confidence and therefore housing associations will have to put other measures in place to support those residents.

Material change of use

The NHF strongly supports setting whole-building standards for homes created through a Material Change of Use (MCU). It is right that the standards are also adopted for houses in multiple occupation, and we do not support different requirements for different types of buildings, beyond the practical considerations in taller buildings. There is a risk that different standards create an incentive to develop less energy efficient accommodation and existing issues to do with the quality of non-residential to residential conversions will be magnified.

Real-world performance of homes

There currently is insufficient detail on post-occupancy performance testing to make a judgement on whether it would be valuable. The NHF is keen to work with the government as these regulations progress to understand what it would mean for housing associations.

Feedback from members differs on the merit of this performance testing, but there is agreement that there would need to be clear implications for homes that did not meet the agreed standard and that residents should not be inconvenienced by testing.

There is confusion about what would be achieved by the introduction of a Future Homes Standard brand. Investing in the systems which ensure building regulations are followed would be a better use of resources and would do more to reassure consumers that their homes complied with the standards. If a Future Homes Standard brand was to be introduced though, our members are clear that the accreditation must cover all homes delivered, regardless of tenure.

In relation to Home User Guides, we agree that the additional information and guidance on how to use heat pumps and get the maximum benefit from them will be useful. The sector also supports providing this information in a digital format, although as we set out above relating to Updated Guidance and Minimum Standards, attention must be paid to those for whom a printed or digital guide will not be enough to operate the system properly or confidently.

Heat networks

The NHF agrees that new homes and new non-domestic buildings should be permitted to connect to heat networks, if those networks can demonstrate they have sufficient low-carbon generation to supply the buildings' heat and hot water demand at the target CO2 levels for the Future Homes or Buildings Standard.

Our members are keen to see further guidance around how these proposals will sit alongside the government's wider work on heat networks, minimum energy efficiency standards, and consumer protection.

Accounting for exceptional circumstances

We would only support the relaxation of these regulations in exceptional and limited circumstances and only where a local authority has published the applications they have received alongside their decisions and reasoning for them. Sufficient resourcing of local authority teams will be key to preventing an abuse of these exceptional circumstances.

Transitional arrangements

The NHF believes that "option 2" represents a realistic period of transition. A longer transitional period is needed so that housing associations have the capacity to change internal policies and business plans to reflect new requirements.

We believe a longer transition period will ensure the supply chain can deliver the requirements of the Future Homes Standard. Alongside this, for the Standard to be successful, the industry will need time to recruit and train staff in the installation and maintenance of heat pump technologies.