

## NFA response to the Government's consultation on the Future Homes Standard

### Introduction

The National Federation of ALMOs (NFA) ([www.almos.org.uk](http://www.almos.org.uk)) is the trade body which represents all housing Arms' Length Management Organisations (ALMOs) across England. The NFA represents all 31 ALMOs which manage nearly 420,000 council homes across 34 Local Authorities. The NFA represents the interests of ALMOs at the national level and provides advice and support for members. We have provided an overall summary of our member's views on the overall strategy and direction of travel rather than the detailed specifics as we are not experts in this area.

### Summary

- **The NFA supports proposed Option 2.**
- **However, many of our members think it does not go far enough and that a more ambitious target of for example, a reduction of 50% should be chosen.**
- **We see no benefit or need to remove the power of local authorities to set higher standards and drive change as they are uniquely placed to respond to localised needs.**
- **The increased costs need to be supported by Government in terms of the future Affordable Housing Programme.**
- **The NFA would also like to see Government consider lower, differential PWLB rates for council housing given the need to meet these new targets.**

### Consultation response

**The NFA supports proposed Option 2.** This is because it delivers more carbon savings and results in lower bills for householders and is the more ambitious of the two options.

**However, many of our members think it does not go far enough and that a more ambitious target of for example, a reduction of 50% should be chosen.**

As a country we have declared a climate emergency and the response should therefore be brave and reflective that an emergency requires large scale action, not a measured and soft response. Beyond not doing enough it is also believed the proposed option will be complicated to administer and oversee and will not deliver

the desired low-level outcomes set out on the consultation. There are many different current build standards, therefore comparison to “current” is meaningless and the uplift of part L could just lead to those firms already building ahead of the standard continuing to do the same and making little real difference to overall levels.

London already has a higher standard than the 31% proposed (at 35%) and would go backwards in terms of carbon reduction and be worse than what was agreed under the Zero Carbon Homes Policy which was due to be implemented four years ago. A higher target at this stage would not only signal to the industry that the government are serious about meeting their targets and drive the right behavioural changes but also drive the construction industry further towards the standards that will be required in future under the FHS.

Councils across the country have also declared their own climate emergencies and are working with their ALMOs to draw up strategies to meet their locally agreed targets on carbon reduction. New and existing housing will play a key part in delivering on those targets. Local discussions are expected to conclude that as much new council housing will need to be at the best standard as possible and although this will entail an increase in costs now it will be offset by cost avoidance of retro fit in future years. The ambition at a local level is to go as far and fast as possible – the key to that is the funding of schemes and the setting of standards for the industry to work within.

### **Ability of Local Planning Authorities to set higher standards**

Although we note the reasons given, we oppose the government’s plan to remove this ability. Local authorities may wish to set higher standards and could well have mandates from local people to do so. For example, Nottingham City Council has an ambitious commitment to becoming a carbon neutral city by 2028. To help achieve such ambitions it is important for local authorities to be able to put in place suitable, locally applicable, standards. We fear that a national standard is likely to result in a ‘levelling down’ to the standard, rather than challenging the industry to reach for ever higher standards.

**We see no benefit or need to remove the power of local authorities to set higher standards and drive change as they are uniquely placed to respond to localised needs.** Higher standards also drive innovation and allow different local authorities to become centres of excellence for technologies from which the whole country can benefit.

### **Changes to the Building Regulations**

We support the minimum targets being set through Building Regulations which puts Registered Providers and developers on a level playing field rather than having two standards.

### **General Observations**

We acknowledge that the proposed changes will result in increased costs at construction stage, and at testing, but believe that this is acceptable in the wider context but needs to be acknowledged and **supported by Government in terms of the future Affordable Housing Programme.**

We urge Government to work closely with the industry to support this change as there are concerns that there will be an issue with the supply and demand of technology items if there is suddenly a huge increase in demand for these items as well as ensuring the training up of operatives to maintain the equipment

There are also concerns of the District Network Operators (DNO) who have real concerns about overloading the infrastructure of electrical cabling. All of these issues as well as costs could act as a barrier to meet targets on zero carbon and need to be resolved alongside the introduction of these changes.

Many councils have set out new development plans for council house building within their Housing Revenue Accounts after the lifting of the debt caps. These changes will result in a need to review these targets and the financial viability of the programme, particularly given the recent significant increase in PWLB borrowing rates.

**The NFA would like to see Government consider lower, differential PWLB rates for council housing given the need to meet these new targets.**

We are supportive of the heat network approach that appears to be favoured but this requires major infrastructure investment which is not going to be delivered by house builders or by a local authority, but will need to be coordinated across all major stakeholders in a local area.