Housing fit for the future

A 3-point plan for retrofitting, fire-safety and carbon net zero

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Summary

Four years on from Grenfell, it is clear there is still much to do on fire safety, and restoring trust in the building industry and the people who regulate it. At the same time, the UK holds the presidency of COP 26, but is still woefully short of delivering against our own net zeros targets.

There is an opportunity and pressing need to take significant action to right both of these serious and dangerous failings. Today, we are publishing our paper which sets out five key asks to accelerate progress.

1. Formally adopt cladding remediation into the national infrastructure strategy
2. Simplify fire safety certification and environmental performance information so that it can be subject to public scrutiny
3. Create a public register of approved manufacturers
4. Introduce an 'E' environmental rating for Register Providers of Social Housing to sit alongside governance and viability ratings
5. Aggregate EPC ratings to judge developers on environmental performance

We should reward the businesses and organisations that rise to meet the challenges, and make sure that those who don't are not given the opportunity to benefit from the massive delivery opportunity that safety and net zero progress necessitates.

The stakes are high and we have so much to lose if we don't get it right.

Housing needs ambitious retrofitting programme

Housing is facing two once-in-a lifetime challenges at the same time: the legacy of the Grenfell tragedy and how to accelerate net zero delivery to bring down emissions by 2030. It seems clear that an ambitious, coordinated retrofit programme is the answer to both of these challenges, but if it is left to homeowners and leaseholders to fund, we will almost certainly fail to address the needs of both challenges.

What is perhaps surprising, is that there has been very little effort to combine, or at least link these agendas - either in funding or regulatory terms. We have two major retrofitting programmes running in parallel with seemingly no shared lessons or attempts to deliver tactically advantageous solutions which would benefit consumers and the taxpayer alike.

It's well documented that the built environment is responsible for 40% of the UK's carbon emissions. Once buildings are operational, they are responsible for 28% of global CO2 emissions. In other words, how they are built and how long-term use is considered in both design and execution terms matters.

The industry has nine years to get on top of this issue if it is to reach the

Government's original net zero emissions target by 2030. Last year the Committee on Climate Change said this target should be brought forward by two years, and in April 2021, the Government announced that it would speed up its target to reduce emissions. Ambition is to be applauded, but little has happened to suggest either deadline is achievable.

The Housing, Communities and Local Government Select Committee has just published details of its latest inquiry which will examine whether current Government proposals for improving the efficiency of new and existing homes go far enough, and whether the role of local government should be enhanced.

In Autumn of this year COP 26 is due to meet in Glasgow. If it happens (and who knows), the spotlight will very much be on the UK, and our progress towards 2050's overall net zero goal.

The Government acknowledges that retrofitting is a significant part of the solution for housing, but failed to say much about it in either the National Infrastructure Strategy or this year's Budget. The Environmental Audit Committee recently warned that the government's legally binding commitment to reach net zero by 2050 will be missed "unless urgent action is taken to improve energy efficiency of homes this decade".

Given 15% of current greenhouse emissions are caused come from heating and powering homes, how the Government develops strategy in this area will make a significant impact on realising the target of net zero emissions by 2050.

Chair of the Housing, Communities and Local Government Committee
Clive Betts MP

Meanwhile, the UK is about to embark on the biggest fire safety remediation programme that the country has ever seen. The Government estimates that there are nearly 12,000 buildings with unsafe cladding in England, and this is just those that are over 18m and deemed the most dangerous. Data is currently being compiled on how many buildings under 18m are affected.

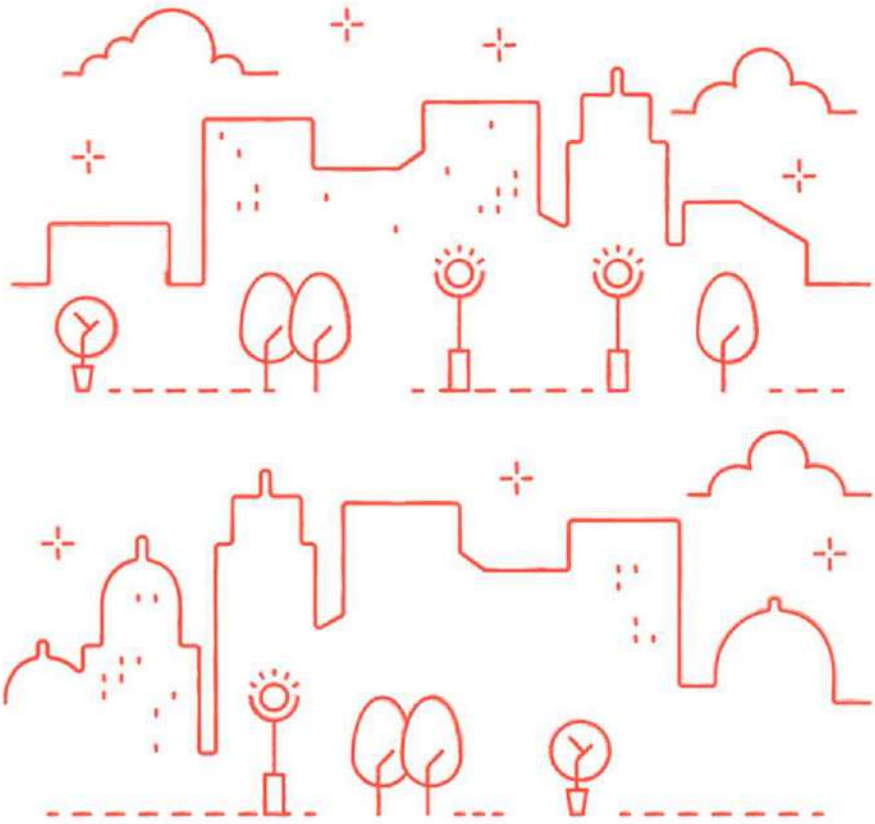
The point is, this is not a small undertaking. Fire remediation will consume considerable construction, development and manufacturing resources - financial and otherwise - for some time.

The HCLG Select Committee is right; local authorities are a major part of the solution. The Government has indicated that it is recent response to the Fire Safety Consultation that it intends to increase the coordination between building control bodies and fire rescue authorities on building work planning, which is welcome. Local authorities should also have the opportunity to make sustainability a clearer priority for local plans. Developments which don't give enough consideration to how green space and innovative sustainability provisions can help reduce carbon emissions, alongside more formal

energy performance measures could be rejected in favour of solutions which do. Just as local authorities have forced developers to rebuild homes that have breached height requirements they can and should be empowered to do the same where energy performance is not as described, or where long-term environmental or social harm is likely.

But in order for all of this to be a possibility, there needs to be a joined-up approach through all levels of Government.

There are three areas where the Government could use legislation already in the pipeline to benefit its net zero commitments and necessary fire safety reform.



1 Certification for manufacturing and the importance of transparency, accountability and trust

Trust in certification and fire safety regulation and how manufacturers and developers apply them in the use of products has been badly damaged. The Grenfell inquiry has demonstrated what a mess the current certification system is.

Certification bodies themselves have proved vulnerable to commercial influence. Some manufacturers have gamed the system, using certification in inappropriate contexts, or applying it to materially different products, even involving themselves in the testing process to influence outcomes. Others have not looked too deeply into the information they were given, preferring to use ignorance as a defence.

Worse still, some have hired high-profile lobbying firms who should know better to obfuscate and mislead, rather than taking responsibility and offering lessons learned.

There was an extraordinary lack of accountability in an admittedly complex built environment supply chain. For far too long, 'spec-breaking'

or value engineering has been a common practice. Whatever the type of building, whatever the kind of scheme, budgets have always been under pressure, with builders and designers always on the lookout to bring down costs.

In her report, Dame Judith Hackitt talked about building '*a golden thread of accountability*' in her recommendations in the immediate aftermath of the Grenfell disaster.

Future standards need to be effective and seen to be effective. The new independent review announced by Robert Jenrick is welcome, but the recommendations are key.

A good place to start in this regard would to simplify the certification process and open it up to consumer scrutiny, If components in housing were subject to same consumer scrutiny as white goods - performance labelling of fire, environmental performance it would be much easier to bring the Government's resident fire safety scrutiny plans to life, and make it much harder to get away with the sort of supply chain 'value engineering' for which the Grenfell refurbishment has become a tragic case study.

You could go further - create a register of approved manufacturers, where interests are declared, customers listed, regulatory judgements published.

No reputable business should have anything to fear from a well-run, transparent regulatory system.

2 Cladding acceleration

The sheer scale of the cladding remediation programme is going to place extensive pressure on the construction industry. We don't yet know where the tipping point is, but there will be one and it is likely to mean that remediation work runs on well beyond the June 2022 deadline that campaigners have called for. Smaller landlords, with less cash to spend, but no less serious safety challenges are likely to find themselves towards the back of the queue.

But the Government could step in to help speed this work up, and boost the built environment's carbon net zero progress at the same time. Using green investment outlined in the National Infrastructure Strategy to boost the capacity of the development industry and to address the housing sector's two greatest challenges at the same time seems like the ultimate win-win.

You have to wonder why we would commit to a huge Government funded remediation programme without using it as an opportunity to make sure that it is also delivering against another of the Government's priorities for the built environment. Safety must take priority, but it's very hard to argue that sustainability is incompatible.

3 Time for an E performance rating for housing providers?

The other obvious place for the Government to act is in the regulatory space.

The Regulator for Social Housing already offers governance and viability ratings, so why not an environmental one too? Safety has rightly been front and centre since Grenfell. Asking Registered Provider Boards to take responsibility for their organisation's progress towards net zero seems to be a very small ask, given the scale of the challenge that we are facing.

If this smacks of holding the social sector to a higher standard than the private sector, there is a ready-made solution: there is already an EPC register, and this information could be used to rate developer performance in aggregate. Giving consumers, planning authorities and housing association partners the tools to compare developer performance on carbon and other sustainability measures have the potential to dramatically improve.

The other area for regulatory progress more generally is on social value, and making sure that it is more closely scrutinised as part of the Governance standard.

The introduction of the Social Value Act 2013, requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits, but the impact has been limited. Let's use this energy from this critical moment for housing to overhaul procurement practices. Registered Providers' suppliers that don't meet code standards should be put on notice and failures in supplier management become reportable issues to the Regulator.

Conclusion

The reality is that there has never been a better time to act with bravery and purpose in the housing and built environment sectors.

We should reward the businesses and organisations that rise to meet the challenges, and make sure that those who don't are not given the opportunity to benefit from the massive delivery opportunity that safety and net zero progress necessitates.

The stakes are high and we have so much to lose if we don't get it right.

About the Authors

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Awe & Sonder is a new strategy and communications agency, dedicated to changing the world for the better.

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