



Beautiful Homes & Space – Mandatory Quality Standards for New Homes October 2020

About Us

Community Housing Cymru (CHC) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales for around 10% of the population.

CHC launched its twenty-year 'Housing Horizons' vision for Welsh housing associations in November 2017. Our vision is a Wales where good housing is a basic right for all, and the vision's commitments include a pledge to build 75,000 new homes by 2036.

Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

CHC's objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.



Background

We welcome the opportunity to respond to this consultation on *Beautiful Homes and Spaces* – the proposed new mandatory quality standards for new homes in Wales.

Welsh housing associations are committed to building high quality homes which support people throughout their life course, and this is a vital tenet of our Housing Horizons vision where good housing is a basic right for all.

This consultation forms an important part of the implementation of the recommendations of the Independent Review of Affordable Housing Supply (“the Affordable Housing Review”), and the proposals must be considered in this context.

In [our response to the Affordable Housing Review](#), we made several key recommendations on issues relating to standards:

- Development Quality Requirements should offer flexibility to allow housing associations to innovate and build homes fit for the future
- Minimum space standards should be enforced across all sectors through the planning system
- Housing associations are committed to hitting low-carbon standards in both new and existing homes
- There is significant potential in the delivery of Modern Methods of Construction to increase the pace and scale of building affordable homes, but collaboration and standardisation is required

In this consultation response and our ongoing work in this area, we will continue to apply to the four tests we set out in response to the review as the lens through which we will scrutinise the proposals. Those four tests are as follows:

1. That the proposals will lead to the delivery of more homes
2. That those homes will be genuinely affordable
3. That those homes will high quality and fit for the future
4. That the proposals ensure that all housing associations with ambition to deliver new homes and capacity to do so are able to

The consultation on the new proposed standards comes at a time of great uncertainty for many individuals and organisations as the COVID-19 pandemic continues to change the world as we know it day-by-day.

Where we live has never been more important to *how* we live. The big challenges to our climate, our economy and to address the inequality that still exists in our society are still there. In some cases, the pandemic has made the challenge even greater and the need to find solutions even more urgent.

We have worked closely with our members and a range of partners over recent months through our *Influencing for a Better Future* programme to reflect on our



Housing Horizons vision. There are still many hurdles that exist to achieving a Wales where good housing is a basic right for all, and the way in which we build homes is an important factor.

Throughout this process we have asked members to reflect on the impact of the pandemic on the homes we build and this is reflected throughout our response.

We have combined our responses to some questions for ease of reading and to avoid repetition.

Our Response

1. What are your general views on the proposed new policy with regard to the issues itemised in the above summary?

We welcome the overall direction of travel set out in the proposals in the consultation. In our response to the Affordable Housing Review, we said that it would be appropriate to consider a new, more flexible framework of standards and these proposals provide a framework for this.

The COVID-19 pandemic has highlighted the importance of flexibility, security and many other aspects of our homes over the last few months and we will reflect our considerations on this throughout. However, at the outset, we believe the proposal to base the standards on areas such as space, security and warmth is the right one, and provide a strong basis upon which housing associations can respond to the challenges of today and future generations.

In particular, we welcome the focus on innovation and the sharing of good practice as opposed to the component-led approach of the 2005 standards. However, delivering these standards will require a shift in culture both for providers of new homes and for Government. It is vital therefore that this culture shift is reflected in the new processes and ways of working that will support the standards, including the new Social Housing Grant framework, which will have to remain flexible to the higher costs that increased standards and innovation bring.

Alongside this, Welsh Government's scrutiny processes, and the expectations of housing associations alike, must avoid the temptation to "fall back" on the more prescriptive standards of old for comfort. This will require a mature approach from all sides and it is essential that support, advice and information is forthcoming from Welsh Government to support this transition. Equally, it will be important to learn from things that haven't gone well, and there is an important role for CHC in working alongside Welsh Government to create spaces for these discussions among our members.



2. What are your general views on the proposed new policy with regard to the “evidence for change” itemised within the above Summary?

We agree that a review of DQR has been overdue for some time, and we are pleased that the Welsh Government has decided to carry out a full consultation on the new standard following the Affordable Housing Review.

The Evidence for Change cited in the consultation emphasises the importance of space, and the challenges presented by s.106 properties in particular in this regard. In our response to the Affordable Housing Review, we highlighted this issue:

“Homes acquired by housing associations through s.106 agreements are a significant part of tackling the housing crisis, but the homes built by private developers are often built to different standards and sizes.

We are aware of one local authority which is currently approving two bed homes in the private sector at 51m² – significantly below DQR – which are then sold to housing associations at 55% of the Acceptable Cost Guidance. This is in stark contrast to another local authority which ensures private developers build their s.106 properties to DQR space standards, and are then sold at 40% of ACG. This is creating inequity in the system, both for developing housing associations, and for prospective and current tenants.”

However, the rationale for amending the standards must go beyond space alone, recognising that the previous DQR was reliant on a prescriptive, component-led approach to standards which did not always recognise the flexibility needed in designing and delivering modern homes.

While more prescriptive standards may offer comfort and reassurance to Government, there is a danger that they quickly become outdated and inflexible. The approach proposed in the new standards points to a more mature and flexible approach which will allow the sector to respond to its commitment to build a Wales where good housing is a basic right for all.

3. Do you think there are the benefits to the proposed new policy?

We welcome the overall direction of travel, and believe there are number of benefits to housing associations, particularly in relation to clarity and flexibility to deliver homes which are appropriate to the individual circumstances in which they are built. We also believe that tenants will feel the benefit in homes that are more reflective of the way in which people live.

However, the Beautiful Homes Standard will not exist in isolation, and the new Standards are likely to be rolled out at a time of significant challenge in the development and construction of new homes. The COVID-19 pandemic has put



pressure on productivity on sites, and changes to Building Regulations in relation to energy usage and heating are likely to follow. This means that the overall cost of development is likely to increase, and the implications of these multiples standards and policy priorities will need to be reflected in funding if we are to deliver on our shared ambition of meeting housing need and delivering high quality, low carbon homes.

4. Do you think there are any dis-benefits to the proposed new policy?

While the focus on high space standards should not present any significant challenges to social housing providers who have consistently developed to these standards over a number of years, the intention to roll this out across tenures will present challenges. We welcome the ambition and believe this is the right thing to do, but it brings with it a commercial reality of increased costs and challenges to some mixed tenure schemes.

Given many schemes that could be affected by these changes will already be in the pipeline, consideration needs to be given to how these standards and the process of equalisation across tenures is managed in both the short and long term.

5. What changes (if any) do you think are needed to the proposed new policy? Please explain and provide evidence for your views

We have no substantive changes to propose to the new standard. However, to support the sector in the rollout of the new standard, we believe clarity is required in the following areas:

- The proposed timings of rollout for the new standard
- The timeline for equalising standards between social and private rented sectors
- The position of the new Standard Viability funding model on costs following the proposal to remove Acceptable Cost Guidance (ACG)



- 6. Do you agree or disagree that it is important for all affordable homes delivered through section 106 agreements and planning conditions to meet the proposed quality standards for new homes? If you disagree, please tell us why.**

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- 7. What is your opinion on the intention to adopt the proposed new policy for all housing irrespective of tenure. Please explain and provide evidence for your views:**

We agree that all affordable homes, whether delivered through section 106 or otherwise, should meet the same standards. The current system is inequitable, both for tenants and for developing housing associations, who are all committed to developing to the highest standards.

However, as stated previously, this brings with it the commercial reality of increased costs which will inevitably affect the viability of some schemes. In the instance of private developers and their section 106 contributions, there is a significant role for the planning system in ensuring a consistent approach across Wales to ensure that a tenant in one local authority does not receive a home of lesser quality or space than a tenant in similar circumstances elsewhere in the country due to this policy failure.

Where housing associations are building mixed tenure schemes that include low cost home ownership and intermediate tenures such as Rent to Own, this is likely to be reflected in the grant requirement to make schemes viable and the new Social Housing Grant funding model will need to be fleet of foot to recognise this.

- 8. What is your opinion of the proposed minimum space standard? Please explain and provide evidence for your views:**

We welcome the focus on space throughout the new standard and we welcome the proposed minimum space standards. By focusing on the space available rather than the component elements that guide this space requirement, this should allow for greater flexibility and innovation in how the space is used.

This will be particularly important when giving consideration to the long term impact of COVID-19 and people's ability to work from home, and the potential need for additional storage that may be brought about by higher energy requirements in future.



9. With the exception of the Lifetime Homes requirements, the proposed new policy is not prescriptive in relation to inclusivity and notably such matters as, disability, ethnicity, gender, sexual orientation, age, religion, human rights or children’s rights. Do you consider that the proposed new policy is sufficiently inclusive or not. Please explain and provide evidence for your views:

We do not believe that anything in the proposed standard would exclude people living in those homes on the criteria described. A flexible standards framework provides an opportunity to achieve greater accessibility, and could create additional capacity to be more responsive to need, and this may bring about benefits for those with the highest needs.

While there are not currently obvious exclusions created by the proposed standards, it is important that the voices of tenants, and particularly those with specific needs, are heard both now and as the standards are implemented. As such, the publication of a robust Equality Impact Assessment on the new standard would offer transparency and reassurance to all stakeholders in advance of implementation. It will also be essential that the impact of the standard is evaluated and monitored throughout its life course.

10. We are proposing to change the name of DQR to “Beautiful Homes and Spaces” (BHS). What is your opinion of the proposed name change and do you have an alternative suggestion:

There was no strong view expressed by our members on this proposed change.

11. Subject to the outcome of the consultation on changes to the Building Regulations Part L (conservation of fuel and power) and Part F (overheating), new regulations will come into force. What is your opinion of the potential early introduction of the conservation of fuel and power and overheating regulations for new affordable housing in advance of any building regulation transitional arrangements?

Housing associations in Wales have a significant ambition to build near zero carbon homes. Working with Welsh Government through the Innovative Housing Programme and other funding streams, housing associations have already successfully delivered a number of new homes which meet the highest of zero carbon standards.

As part of the Welsh Government rent settlement from 2020-21 to 2024-25, housing associations have committed to work towards an aspiration that all new build housing, regardless of tenure, achieves energy efficiency standards of no less than EPC A.



However, there is still much to be learned and shared on the outcomes of the Innovative Housing Partnership and the true costs associated with innovation. Reproducing this at scale presents additional costs, and it is important to recognise that the grant received to build affordable homes is already being pulled in a number of competing directions while its primary aim is to subsidise sub-market rents for the tenants who live in those homes. There is therefore a tension between the increasing standards, particularly ahead of other parts of the construction industry, and the impact this would have on the income required (i.e. either rent or grant) to make schemes viable.

The sector is proud of its track record of high standards which often put us ahead of the market in terms of innovation, and we will continue to strive to meet the highest of standards. Nonetheless, the implementation of such a big change will need to be careful one, which is supported by the associated funding mechanisms to ensure these additional costs are met.

These decisions are being made in the context of significant investment being required in existing homes to reduce the carbon footprint and energy bills in these homes, and given the impact on costs, income and supply chain of these two separate but related decisions, careful consideration and implementation will be needed.

12. What is your opinion on the potential introduction of a requirement that all new affordable housing should meet EPC A (SAP 92)?

We agree in principle that EPC A is an appropriate standard to meet the carbon reduction targets that are set out in the Environment (Wales) Act 2016, and the more recent commitment made by the Welsh Government to reduce carbon emissions by 95% by 2050.

The higher the energy efficiency rating, the lower fuel bills are likely to be. We should also therefore be aiming for EPC A in order to make homes as affordable as possible for residents, and to reduce the possibility of households living in fuel debt or fuel poverty. However, there is much work to be done to engage with the people who will live in homes with these standards about their expectations and the technology required to meet the standards.

13. We have asked a number of questions. We would welcome any other views you may have about the proposed new policy and the proposals for implementation:

N/A



- 14. We would like to know your views on the effects that the proposed new policy would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favorably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**
- 15. Please also explain how you believe the proposed new policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**
- 16. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

The provision of affordable housing is vital in ensuring the sustainability of many communities, and has a positive role to play in ensuring Welsh speakers can live in vibrant communities where they are able to speak their first language. In that regard, any policy which can lead to the additional provision of affordable homes – which the new standards will be key achieving – has the potential to have a positive outcome and should be welcomed. In practice, the link between local housing need, local allocations policies and planning all have a far stronger influence and the Beautiful Homes and Space Standard alone.

- 17. In view of the effect of Covid-19 which will change the way we live in and use our homes, please indicate any additions to the standards and any other suggestions relating to the pandemic you want us to consider.**

The impact of COVID-19 has highlighted the importance of home for everyone; *where* we live has never been as important to *how* we live, and many inequalities that already existed have been further highlighted by the pandemic. Three areas in particular have been highlighted in relation to standards.

- Space in our homes is at a premium. Less than a third (31%) of people across all types of housing had a dedicated office or study space, and 11% felt they didn't have enough space overall since the lockdown.¹
- Equal access to jobs, learning and training opportunities relies more than ever on digital access. 10% of people in Wales are still not online and 17% of social housing residents are digitally excluded – an estimated 60,000

¹ Shelter Cymru, You Gov Survey, 2020



residents.² This costs people money, with off-line households missing out on savings of £560 per year from shopping and paying bills online³.

- Access to outside space is essential to the wellbeing of individuals and communities, and there is inequality of access for the poorest groups. One in eight households in Great Britain has no access to a private or shared garden, and Wales has the second lowest percentage of people (20.6%) in any nation or region of the UK within a five-minute walk of a public park.⁴

To that end, we welcome the focus in the proposed standards on space for home-working which will be essential for ensuring that tenants have one of the key elements that ensures they can access jobs, training and opportunities from home. We also believe the greater flexibility overall will allow organisations to learn and respond to the ongoing fallout from the pandemic in a more agile way. Meanwhile, CHC and a number of our members are signatories to the Design Commission for Wales and Welsh Government's Placemaking Charter which presents an opportunity to improve people's access to outside space.

However, significant challenges remain around digital access and there are a number of policy levers which need adjusting both in and outside of housing standards to truly tackle this issue.

Alongside tackling those challenges of access and affordability described above, the there is significant potential for emerging digital technologies to support people to retain their independence in their own homes.

We believe that the next Welsh Government should put in place measures to end digital exclusion which should include upgrading requirements for all new homes to include digital connectivity as standard, alongside investment in digital infrastructure and skills support to ensure that all can access the internet as a key public service.

For further information, please contact:

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² National Survey for Wales 2019-20

³ <https://gov.wales/sites/default/files/statistics-and-research/2019-08/111215-digital-inclusion-economic-social-benefits-en.pdf>

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<https://www.ons.gov.uk/economy/environmentalaccounts/articles/oneineightbritishhouseholdshasnogarden/2020-05-14>