

CIH submission to the Housing, Communities and Local Government Committee inquiry into MMC



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About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

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Summary of our key points

This is a response to the Housing, Communities and Local Government Committee inquiry into modern methods of construction.

CIH intends to address one aspect of the benefits and risks of MMC, that it provides both a golden opportunity to establish high standards for new housebuilding and creates a risk that, in the absence of such standards, it could lead to the production of many more sub-standard homes which in various respects could soon be obsolete.

Our key points are:

- Government must seize the opportunity presented by MMC to ensure high standards of new housebuilding; failure to do so will be highly wasteful of resources and in conflict with climate goals and other government objectives.
- Given the practical difficulties of achieving high levels of energy efficiency in on-site construction, MMC offers a huge opportunity to make a step-change in the delivery of energy-saving, climate-friendly homes.
- New homes are being built to inadequate space and accessibility standards (e.g. for wheelchair users); MMC could resolve this deficiency.
- Following the Grenfell Tower fire, there is a high premium on homes being built of safe materials and by safe building methods; MMC must ensure this happens.
- The Grenfell Tower fire exposed severe weaknesses in the enforcement of building regulations. The consistency of production standards achievable via MMC potentially resolves many such problems.

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Overall government approach to standards of new housebuilding

The Housing Standards Review which ended in 2014 left in place an inadequate system for ensuring high standards of new housebuilding. The government abandoned the zero carbon standard for the energy efficiency of new homes, which had gained increasing acceptance within the industry, it dropped most of the Code for Sustainable Homes and failed to set adequate standards on other issues such as space in the home and accessibility. Rather than the ambitious set of national standards originally promised under the Review, it relied instead on a combination of building regulations and voluntary action by local authorities.

In 2017, the Grenfell Tower fire exposed severe problems in the setting and enforcement of building regulations and the specification of building materials. The Hackitt Review was set up to resolve the building safety issues that arose. MMC is clearly integral to the drive to achieve safer buildings because of the opportunity it creates to ensure the use of safe materials and avoid many of the pitfalls of on-site construction.

In addition to safety, the government's current concerns are achieving the construction of some 300,000 new dwellings annually and pursuing a 'Better Design for Better Places' agenda, which relates mainly to building and design quality. That said, the aim is to 'get good design embedded in everything' and if this is properly defined it should, of course, embrace the crucial issues which are the subject of this submission.

The growth of MMC provides a golden opportunity to address both the government's current priorities and the wider objectives which should also be pursued if new homes are to be sustainable in the broadest sense and are not to become quickly obsolete

CIH urges the Select Committee to make these issues a strong focus of its report on MMC.

Energy efficiency

MMC provides the opportunity for a leap forward in the energy efficiency of new homes, to the advantage of the householder and of achieving the government's legally-binding carbon reduction targets. Some MMC (e.g. Accord Housing's LoCal Homes) achieves high standards but it is unclear to what extent this is being achieved by MMC generally.

The official Committee on Climate Change (CCC) warns that carbon emissions from homes should have fallen to 13% below 1990 levels by 2017, yet the actual reduction was just 9%.¹ Newly built homes are leaking so much energy they cost their occupants

¹ Committee on Climate Change (2019) *UK Housing: Fit for the future?* London: CCC.

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£200 annually in higher-than-necessary fuel bills. To meet targets in the Paris Accord, it is estimated that all new homes must be ‘net zero carbon’ within a decade.²

In 2015 the government scrapped the plan to introduce zero carbon homes, and also removed the Code for Sustainable Homes that applied in the social sector. The latter included standards not just for energy efficiency but on other issues such as water use, pollution and waste. The CCC says that “This has led to many new homes being built only to minimum standards for water and energy efficiency.”

Just 1% of new homes built in 2018 met the highest Energy Performance Certificate standard (Band A). This represents a huge and irresponsible waste of an opportunity to upgrade the energy efficiency of the stock - especially as the least efficient of the homes built now will need expensive retrofit work within a few years if standards are suddenly raised, as the climate worsens. MMC provides the opportunity to tackle this problem by embedding high standards - but also carries the risk of it being extremely difficult to retrofit in later years if houses are built to inadequate standards now and by methods that make retrofitting expensive or technically difficult.

At the moment, relatively low energy standards are set by Part L of the building regulations, with local authorities able to set higher standards in planning policies. However, the position has been confused, with local authorities unclear as to whether they can set higher standards and therefore with probably few having done so. In any case, varied local standards are difficult to reconcile with MMC which ideally requires national standards embedded into the original materials and their assembly.

Space and accessibility standards

Evidence on space standards in new build is mixed, although there do appear to be larger numbers of small new dwellings being built (of floor area less than 70m²) than there are in the existing stock.³ While *average* space standards in new homes have not fallen, this is because more large homes are being built to meet demand at the top end of the market. A national space standard exists but its implementation depends on local authorities imposing it via planning conditions, and then ensuring that it is enforced.

With more than 13 million disabled people in Great Britain, and around 300,000 people of working age in England alone lacking necessary adaptation to their homes, the shortage of accessible housing is considerable; government estimates that around 365,000 disabled people live in unsuitable homes. Currently only seven per cent of homes meet basic access standards that make them ‘visitable’ by disabled people.⁴ Building regulations in England and Wales have produced houses that are generally

² See <https://www.worldgbc.org/advancing-net-zero>

³ English Housing Survey 2012-13.

⁴ Equalities and Human Rights Commission (2018) *Housing and Disabled People: Britain's hidden crisis*. London: EHRC.

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inaccessible, particularly for people who use wheelchairs, because although they incorporate wheelchair standards this aspect of the regulations is voluntary. In social housing, the Code for Sustainable Homes required, at its highest level, accessibility to the Lifetime Homes standard but the code has been repealed. CIH has called for new homes to be built to building regulations schedule 1 part M4 (2), which should be the default requirement rather than optional as currently.

MMC provides an opportunity to achieve proper space and accessibility standards that should not be missed. However, this cannot be achieved by the current piecemeal approach. It requires industry-wide standards, whether these are centrally imposed or arrived at by agreement.

Building safety

This is under the spotlight following the Grenfell Tower fire. While the focus has necessarily been on high-rise developments, building safety is integral to the design and construction of all new housing. It is vital that:

- MMC takes full account of the findings of the Hackitt Review and related reforms resulting from the Grenfell Tower fire in terms of safety of materials and of assembly methods.
- MMC minimises the risk of adaptation work being required to dwellings during their life, due to standards changing, because adapting factory-built units is likely to be much more difficult and to create its own safety problems (as occurred with retrofitting of insulation panels in the Grenfell case).

Opportunities created by MMC

The general approach which the government has followed since the 2014 Housing Standards Review has been a mixture of (generally low) standards being set via building regulations and additional, higher standards being available via either building regulations or planning conditions but dependent on local authority adoption and enforcement of them. In some respects (e.g. energy efficiency) local authorities can in theory set higher standards than the national minimum but few have done so.

Yet dissatisfaction with new homes continues: space standards are often poor, wheelchair accessibility is practically non-existent, energy efficiency is very low and fuels bills are high. Added to the general problems of enforcement of standards via the building control or planning systems, the Grenfell Tower fire showed how massive deficiencies in these systems can create the conditions for catastrophe.

MMC provides a unique opportunity to tackle low and poorly-enforced standards by:

- Centralising the building assembly process, avoiding a large proportion of the on-site work where standards are more difficult to enforce.
- Applying nationally agreed standards, so that the output from an MMC plant is usable in different local authority areas without the extra costs of local compliance, or the risk of non-compliance with different local standards.

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- Materials used in MMC can achieve high standards of safety, energy efficiency, etc. Assembly on set minimises or eliminates problems of poor construction on building sites or use of substitute or incompatible materials.
- Enforcement is centralised and largely removed from building sites.
- Better standards (e.g. of space and accessibility) may be achievable at lower costs than would be the case with on-site construction.

The challenge to government

The government is concerned about achieving higher standards of new housebuilding. It has established the Building Better, Building Beautiful Commission, aimed principally at achieving more attractive new build. But this risks perpetuating a piecemeal approach, in which there is a centrally-driven agenda for 'beautiful building' but a local patchwork of standards on space, accessibility, energy efficiency and other vital issues. The government has carbon reduction targets requiring urgent action to achieve 'net zero carbon' new housebuilding but no central mechanism for achieving them. It is also developing an ambitious agenda on building safety. It is vital that the different strands of this work are brought together as they all impinge on the final design and quality of every new home that is built.

MMC provides a huge opportunity to advance these objectives, but only if the government is prepared to engage with the industry in a comprehensive way on building standards, ending its current scattergun approach. It has been forced into action on building safety by the Grenfell Tower fire, and will soon be forced to act on energy efficiency to comply with the Paris Accord.

If instead of continuing with piecemeal approaches it were to tackle building quality across the board by agreeing proper standards for dwellings resulting from MMC, it could take full advantage of the opportunity provided by the growth of this industry and its gradual displacement of on-site construction. At the same time, the government would avoid the risk of its various objectives being defeated by a new generation of housebuilding which in several key respects could easily fall below current and future standards.

Given the rapid growth of MMC, the government should embrace all of these challenges with urgency and with the aim of securing uniformly higher standards of housebuilding.

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