

Baroness Taylor
Parliamentary under-secretary of state at MHCLG
2 Marsham Street
London SW1P 4DF

Wednesday 30th October 2024

Dear Minister

Thank you for meeting us on 17 October to discuss the Future Homes Standard. We gave you a copy of our April 2024 FHS consultation response, supported by over 250 businesses in the sector, and were pleased to hear your views on it. This letter clarifies the key points we made and asks for your formal response.

1. Future Homes Standard (FHS) (2025) and Home Energy Model (HEM) (2025)

- a. **Option 1** - We urge you to adopt Option 1. We explained why Option 2 is regressive for bill payers. A standard which avoids renewable energy integration and lowers fabric standards – combined with poor quality control – puts wider energy security at risk. Running costs for households are high on the public's agenda and keeping the bar low for housebuilders directly impacts bill payers cost of living and ability to borrow. Housebuilder profits were found to be higher than expected by the [CMA](#), indicating that there is financial headroom to fund Option 1.
 - b. **40% solar PV** is crucial to reduce bills, avoid retrofit later, boost the country's shift away from fossil fuels, and support the grid which needs to grow fourfold to achieve clean power by 2030. As you heard the suppliers organisation (Solar Energy UK) recommend, developers would support a modified Option 1 with high efficiency rooftop solar PV covering equivalent of 40% of ground floor area, caveated to add where not achievable all available roof areas must maximise solar PV.
 - c. **Mandatory "as built" thermal performance testing** - We explained the consumer and climate issues highlighted by recent reports which evidence persistent low quality and underperformance of new homes compared to the building regulations ([CMA report](#), [CIOB report](#), [Building for 2050](#)). It is a consumer scandal which we believe must be addressed in the FHS 2025. Developers in our group recommend including mandatory "as built" thermal performance testing such as whole-house heat loss tests, as set out in [a study by the Future Homes Hub](#).
 - d. **Switch to energy metrics at the earliest opportunity** Accountability should be a routine requirement for housebuilding (similar to the Building Safety Act) and the ability to compare actual performance versus notional/designed is hampered currently by the metrics for compliance. Switching to energy metrics could enable this, and energy metrics will likely come through in the HEM and new EPC model, causing confusion if FHS is not the same. If the main metrics of the FHS can't be changed, then, we propose energy use to be reported as part of building regulations.
2. **Written Ministerial Statement, 13 December 2023.** We urge you to withdraw this WMS immediately. You referenced legal action ongoing regarding this. Which evidences the confusion and delay this statement has caused, and the restrictions it has placed on Local Authorities going for higher standards. One in five new homes built over the past two years have been built to higher standards and early [analysis shows](#) that they do not impact housing supply, including in less viable locations.
3. **Higher follow-on standards need to be signalled, developed now and introduced in this decade.**
- a. To support Clean Power by 2030, and affordable bills, we need higher standards for building regulations and planning. Many Local Authorities (LAs) already require higher standards, and in response to this, developers asked for more standardised requirements. This has support from LAs.
 - b. To address this, we proposed a collaborative approach to explore and develop higher standards begin in April 2025. We suggested to start with a 6 month process with Local Authorities, developers

(represented by the Future Homes Hub), the supply chain and the Government. We are ready and willing to collaborate on behalf of our memberships, consisting of thousands of industry organisations.

- c. The Government must signal their intention for a higher follow on standard in early 2025 to allow developers to factor this into their business model, and stimulate the supply chain to respond.
- d. New homes performing above the FHS 2025 have already been commercially achieved across the UK. We welcome the minister to visit and learn more about these projects from leading developers.

We look forward to your response.

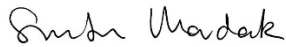
We can be contacted at sue.riddlestone@bioregional.com, lynne.sullivan@lsastudio.co.uk and larry@goodhomes.org.uk.



Sue Riddlestone OBE
CEO & co-founder, Bioregional



Lynne Sullivan OBE
Chair, Good Homes Alliance



Smith Mordak, CEO
UK Green Building Council



Clara Bagenall George MBE
Co-founder, LETI