

Executive summary

Building more homes and delivering net zero are both monumental public policy challenges. Our complex, discretionary planning system makes it harder to create dense, sustainable settlements. Meanwhile, we continue to build new homes that are emissions-intensive and will require costly retrofitting in the future.

Housing policy reform should seek to make it easier to densify towns and neighbourhoods and ensure new homes are energy efficient and low carbon. But determining where we build homes, in what quantity, and to what standard is fraught with political challenges. This report identifies the following five principles as being critical to doing this in a politically durable way:

1. Environmental regulations should not prevent homes being built affordably or more quickly and efficiently.
2. New development should be consistent with net zero and biodiversity governmental targets.
3. The lifestyles that people lead in new homes are as important for net zero as the fabric of the home.
4. Planning policy and building standards should incentivise communities to accept new homes in their neighbourhoods.
5. Planning reform should ensure that communities can shape development in their area to facilitate local democracy.

The recommendations are grouped into two core policy objectives. First, to speed up the delivery of new homes where development is most sustainable, such as near workplaces, shops, and sustainable transport links. Second, to ensure new homes are compliant with reaching net zero greenhouse gas emissions by 2050.

Delivering more homes close to workplaces, shops and sustainable transport links

Recommendation one: Government should create and fund a *Neighbourhood Development Order Pathfinder Programme to bring forward homes in urban neighbourhoods.

Recommendation two: Set a requirement in the National Planning Framework (NPPF) for Local Planning Authorities (LPAs) to create Local Development Orders (LDOs) for small- and medium-sized sites to meet a proportion of their housing requirement.

Ensuring new homes are compliant with reaching net zero greenhouse gas emissions by 2050

Recommendation three: New National Development Management Policies (NDMP) should include a hierarchy of options to set higher environmental standards for more ambitious local authorities.

Recommendation four: Include targets for energy use intensity (EUI) and thermal energy demand limit (TED) for all new homes in the Future Homes Standard from 2025 onwards.

Recommendation five: Introduce through the Future Homes Standard a new testing requirement for all new homes, and reform Energy Performance Certificates (EPCs) so they test in-use energy performance.

Recommendation six: Ensure the energy performance targets for new homes in building regulations incentivise solar PV and energy storage in the Future Homes Standard from 2025.

Recommendation seven: Include appropriate reporting requirements for the whole-life carbon emissions of new homes by developers in the Future Homes Standard from 2025, with a timeline for introducing limits on embodied carbon in the future.

Recommendation eight: Strengthen minimum water efficiency standards in the Future Homes Standard.

Recommendation nine: Expand green infrastructure requirements in the National Planning Policy Framework (NPPF).

Recommendation ten: Ensure heat pump training courses can access future waves of Skills Bootcamps, and provide appropriate governmental financial support to those undertaking them, to ensure there are sufficient installers for the introduction of the Future Homes Standard in 2025.