

**LABC Submission to the  
APPGEBE Inquiry into the  
Quality of New Build  
Housing in England, 2015**

## **Introduction**

1. This submission of evidence has been compiled in response to the call for evidence from the all Party Parliamentary Group for Excellence in the Built Environment's Inquiry into the quality of new housing in England. Much of the material in our submission is based on feedback from the 113 local authorities who responded to a survey conducted by LABC in October 2015. Eight proposals for improving the current situation are then made.

## **What is LABC?**

2. This section explains the network of local authority building control teams that is LABC and LABC's work. This explains the depth of knowledge and our role in the new homes industry.
3. Local Authority Building Control (LABC) has a unique place in the building industry. Our members are local authorities. Local authority building control teams are responsible for compliance with the building regulations, enforcement and ensuring public safety when buildings and structures are damaged or become dangerous. It is a not-for-profit service delivering excellent service and value to customers and the public. The LABC network is by far the largest provider of Building Control services to the construction industry and the SME market in particular. With 3,000 surveyors across England and Wales it promotes quality construction by working cooperatively with designers and builders, ensuring good buildings are delivered on time and within budget. With the expert knowledge to deal with any Building Regulation question from means of escape and fire engineering, through access and acoustics, to energy efficiency and sustainability; no other organisation has the same breadth or depth of technical expertise or the local knowledge and resources.
4. LABC provides a forum for technical innovation and development. Instead of each local authority team having to research new products, new solutions or new services that industry wants to adopt, we run working groups and schemes to recognise compliant solutions and then share those amongst all local authorities. LABC provides subsidised training to both local authority teams and its business customers (architects, designers, building engineers, builders, main contractors and specialist sub-contractors). It also publishes guidance, technical advice and construction details (packaged designs and specifications for the common elements of building construction). LABC has close relationships with customer and professional bodies. It also supports many industry committees and provides extensive research on specific topics that it shares with policy makers, construction customers and

manufacturers. The LABC Warranty operates differently to other warranties for new homes as it usually involves two sets of visits. Separate surveyors are used: one from the local authority providing the building control inspections, the other from the warranty company undertaking its audits. Similarly the building control plan check and the warranty verification of the plan for underwriting are also handled by separate teams and professionals.

5. Building control is the only local authority regulatory service in direct competition with the private sector and after 30 years of competition, local authorities still carry out around 65% of all building control work (this figure is established by local authorities analysing total building control applications and subtracting the Initial Notices submitted by approved inspectors). End customers, especially home owners, value the peace of mind gained from knowing that an independent professional has provided an inspection. Many business customers still value an independent check on their work free from possible conflicts of interest, and they want a local surveyor who knows the specific site, the locality, its history, and the ground conditions, and who works close by and is able to call in if there is an urgent issue.
6. LABC members understand commercial realities and have long been early adopters of collaboration, shared services, ICT solutions and new approaches to running an efficient service. Shared services, formal collaborations, shared management, trading companies, mutuals and outsourcing are common arrangements in local authority building control. Whilst it is a highly specialised service, it does generate income and is pretty well cost-neutral to most local authorities.
7. Many local authorities are reluctant to spend money on marketing and so LABC markets the services of its members and runs a central 'partnering' scheme so that customers can have account management from one lead authority. This scheme has over 6,000 registered customer partnerships. LABC also sells the specialist knowledge of its 3,000 surveyors direct to customers who want to buy specialist help or consultancy and the revenue from this is paid back into local authorities delivering the service. This is not handled by the surveyor who would be undertaking the building control inspections and, by avoiding conflicts of interest, customers are happy to buy the extra services. These services include things like accredited fire risk assessments and energy calculations.
8. LABC encourages best practice and high standards. Despite the inevitable focus on 'failures', the building industry generates many high quality schemes and genuinely wants to satisfy customers by doing 'a good job'. LABC runs its own Building Excellence Awards. These are

awards for technical excellence (not for pleasing designs) and every year over 3000 entries are judged in 12 regions including North and South Wales. Eventually 14 winners are announced at the Grand Finals in London after regional heats. In total over 6000 guests and representatives of the industry receive public recognition for exemplary work.

## **A local authority building control survey**

9. For many complicated reasons, it is hard to establish whether quality in new homes is improving, staying the same or getting worse.

Here are some of the reasons:

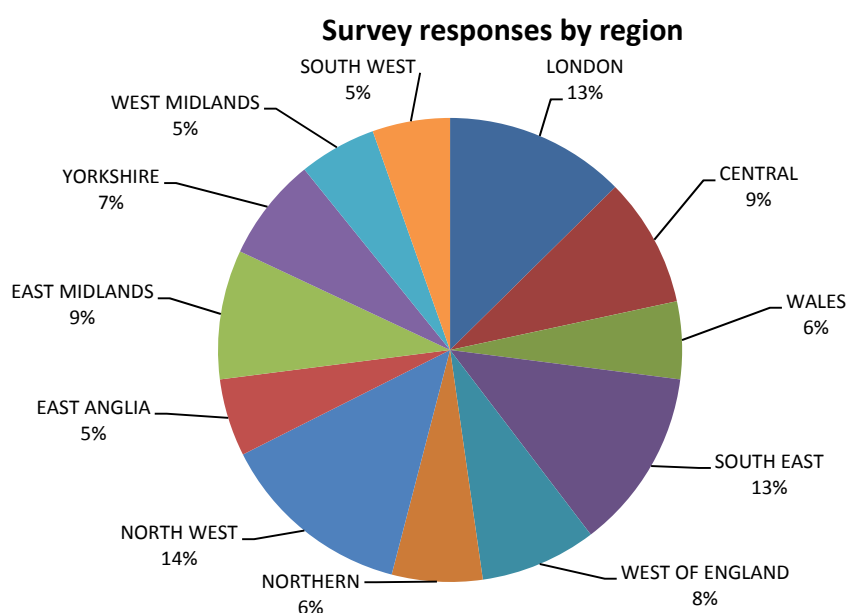
- There is no coherent definition of quality or an agreed and centralised way of monitoring it.
- Many different organisations are involved and many different bodies have responsibility for ‘parts’ of quality. See Appendix 1.
- The new homes industry is a barometer of the economy and it fluctuates quickly according to confidence and the availability of finance.
- The standard of homes has increased over the last three decades particularly in relation to acoustic performance, energy efficiency, inclusion and life safety.
- The building control system is designed to work so that compliance is achieved rather than prosecutions – this has been part of the philosophy against a burdensome, ‘police’ style regulatory approach shared by all governments in recent years.
- New design, building techniques, products and ‘system build’ approaches have been adopted by a savvy industry that recognises how innovation is good for business.
- Perhaps most importantly, homes have become a ‘lifestyle’ product and are quite different to the designs of 30 or 40 years ago. En suite bathrooms, family bathrooms, down stairs cloakrooms, fitted kitchens, fitted appliances, utility rooms, wireless technology, down-lighters so many features that are complex, increase the risk of installation failures and increase the difficulty of maintaining a high decorative finish. To the new occupiers wanting their dream home, the risks of disappointments have been multiplied but these may not mean there are problems with the structure.

Therefore we have surveyed the volume and nature of complaints received to gain a better insight.

## **The LABC Survey**

10. A questionnaire was emailed to all LABC ‘heads of building control’. These are the local authority managers and professional surveyors responsible for delivering the building control service. These may be middle or senior managers within a local authority. Usually, there is another higher level of Service Directors running all the teams either in regulatory services or the built environment. For this survey LABC asked the operational building control expert to respond.
11. LABC surveyors and managers are usually experienced professionals with building degrees or similar technical qualifications and a professional surveying qualification with membership of a professional institution (RICS, CABE, and CIOB). Many have other additional qualifications in fire, energy, construction for health and care buildings and building engineering or building services engineering.

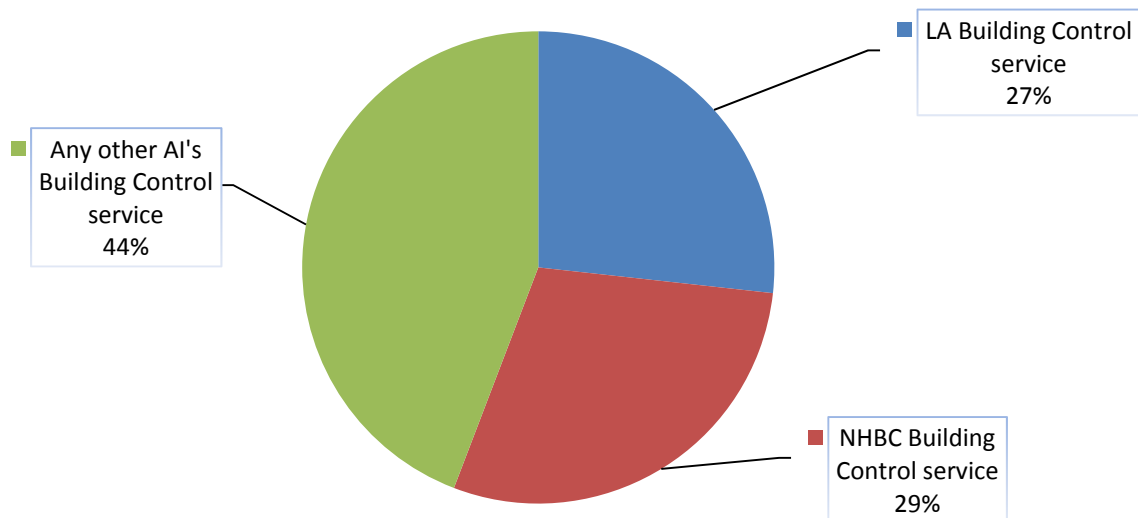
12. LABC represents 100% of all local authorities in England and Wales, though this now means that there are many combined shared services, collaborations or other arrangements combining local authority teams. The universe of combined local authority teams is 303.
13. 113 heads of building control responded (36%) of all local authorities. The survey was issued in October 2015.
14. The survey (Appendix 2) asked respondents to base their replies over the last 36 month period.
15. Heads of building control from all English regions and Wales responded. LABC included Wales as the quality of new homes is of interest to LABC's Welsh members and the Welsh Government and LABC will share this information with representatives of the Welsh Government.



### Type of complaints

16. LABC's Heads of Building Control were asked to research the number and nature of all complaints over the past 3 years. It is important to understand the context of this and this survey. Local authorities are not responsible for the work of NHBC or other Approved Inspectors (AIs). Nor do they want to attract complaints that should be channelled either to these AIs or the developers they work with. However, the public generally do not understand this and matters can get complicated because some developers share work between LABC and AIs or change their allocation of work according to the price quoted. Therefore, local authorities receive a lot of unsolicited 'complaints'.
17. The LABC survey asked members to quantify and analyse these complaints if they were able. Some heads did not take part because they had no knowledge, records or experience to work with. 36% were able to respond.

### Number of complaints by source - over last 36 months



18. When asked to estimate the number of complaints they received by source, the respondents combined figures demonstrated that for every 1 complaint received about a LA building control service, 2.7 complaints were received about an AI.
19. What does this mean? It's important to note that this figure doesn't take into account those who complain directly to the AI involved and therefore the figure for complaints through the correct channels is likely to be much higher. It definitely shows that people occupying new homes are confused about responsibilities, so there is still a fundamental awareness/communications issue in the industry. For LABC, there is some comfort in the fact that complaints to local authorities about Local Authority Building Control are a relatively small proportion of the total.

*"Complaints often relate to the unwillingness of the warranty companies to act/pay out under the warranty scheme and then expect the LA to intervene and even make good the defect"*

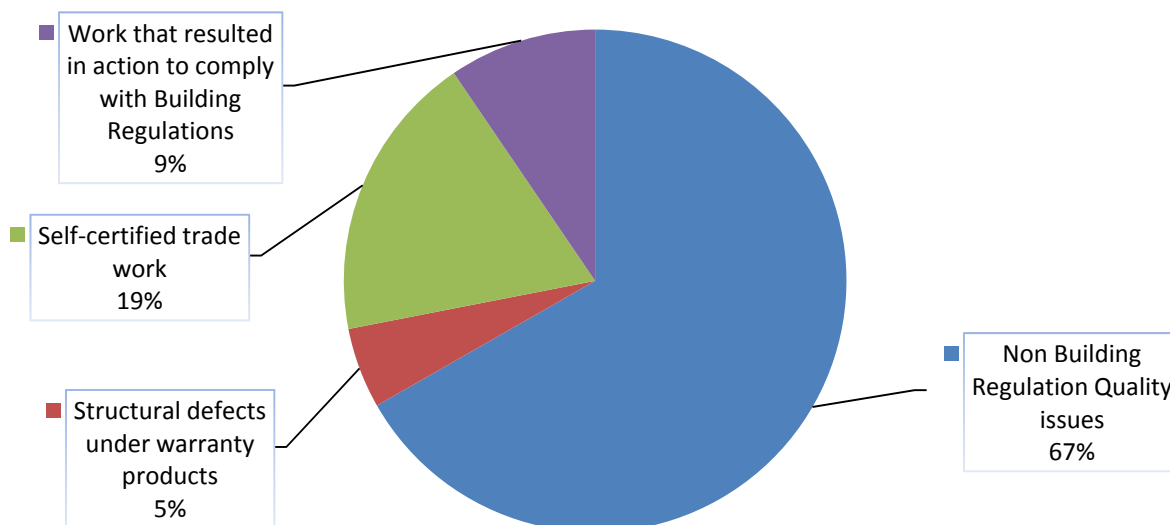
*"We are often asked to enforce the completion of work, but until complete we cannot issue a completion certificate and cannot force the builder to complete the work."*

*"I believe there needs to be a better understanding from the general public of our role within the build and design of dwellings in particular the limitations of our enforcement powers"*

*"Many of the complaints we receive in respect of AI sites are looking for the council to intervene and we have to explain that the site has to be formally handed back to us to take any action. Clients are often unaware that an approved inspector is involved at all and assumed that the local authority was carrying out the building control inspections."*

*"A general lack of awareness from the end user of the building as to who carried out the BC function on site. And a belief that the council will step in to sort out issues."*

### Number of complaints by type - over last 36 months



- 67% of complaints were about non-regulatory and non-warranty issues with the majority of these being related to the aesthetic finish, décor and built in appliances.

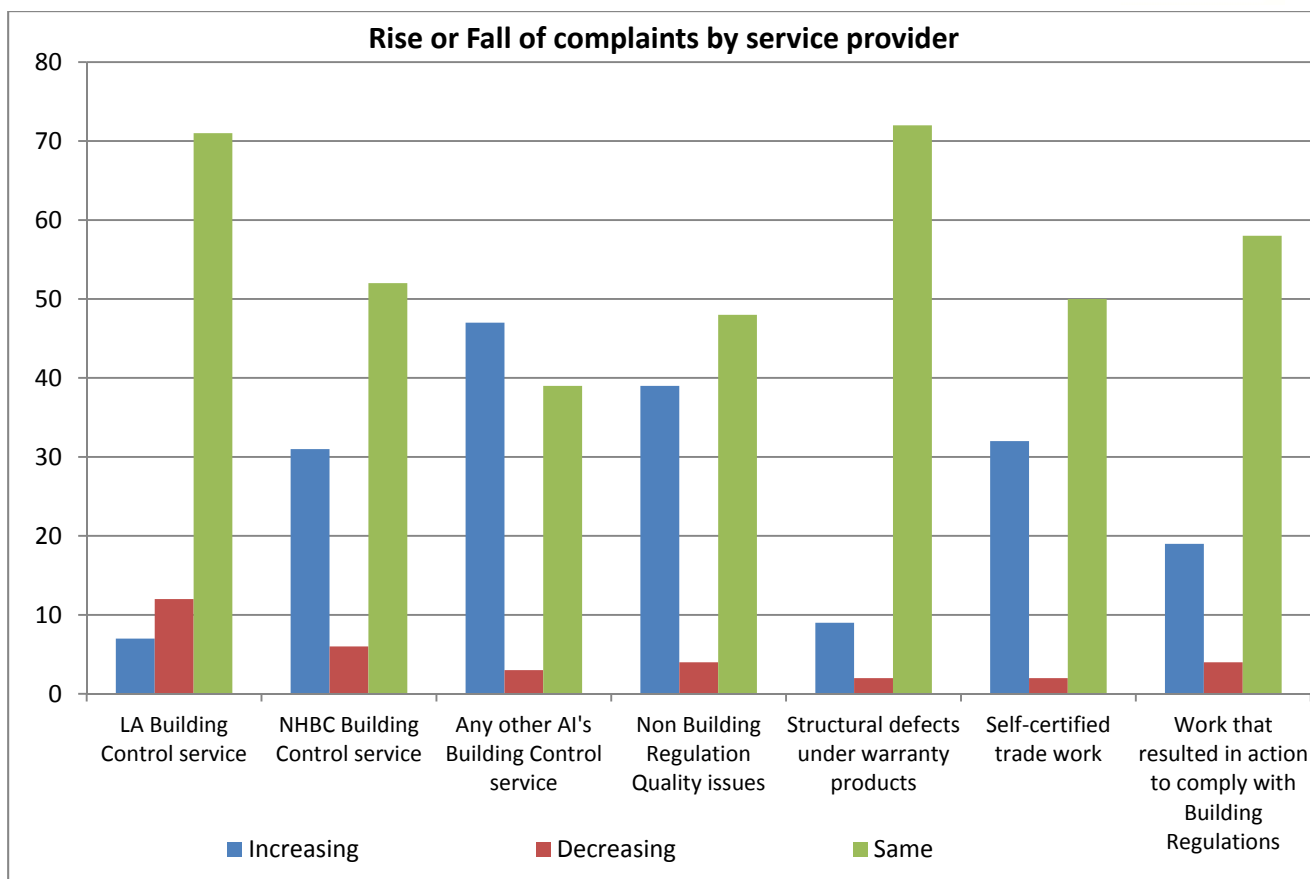
*“Omission of white goods (promised in sales material), poorly fitted door frames (internal/external), missing handles to doors, no meter keys or keys for window locks, incomplete tarmac areas. This happened to be an AI controlled site but it could just as easily been one of ours.”*

*“Home owners get incredibly frustrated about snagging, decorative finish and other issues that aren’t relevant to building control. We calm them down, explain who is responsible and re-direct them. The problem for us is that we don’t have the resources for dealing with complaints that have nothing to do with the council. We feel sorry for them but can’t get involved.”*

- 9% of complaints to LA’s are building regulation related, however each of these complaints could be attributed to either an AI or an LABC inspector. Not all the building regulation issues are the responsibility of local authorities.
- 18% of complaints were attributed to registered self-certifying schemes. Action can be taken under different legislation to the building regulations, but the developer is responsible and they should take it up with the scheme under which the trades person or contractor is covered. If it’s highly dangerous then the local authority and/or fire service/environmental health can use powers.
- 5% of complaints were related to structural defects under warranty providers.

Note: Figures relating to warranty, AIs and self-certified trade work through Competent Persons schemes may in fact be higher as the complainant is likely to have gone directly to their provider.





## Are complaints growing?

Survey respondents indicated that they believe that over the last three years:

- Complaints about LABC are either the same year on year or decreasing (92% of respondents)
- Unsolicited complaints about NHBC are increasing (35% of respondents)
- Unsolicited complaints about AIs are increasing (52% of respondents)
- Unsolicited complaints about quality were increasing but that these were not to do with building regulations (43% of respondents)
- Complaints about self-certified trade work was increasing (38% of respondents)

20. For all the complexities outlined in the introduction to this document, it is not possible to give a definite answer. Not all problems are the responsibility of the building control body whether public or private sector. It is clear though that complaints about quality of finish (meaning decorative quality, snagging and appliances) are increasing. It is also worth noting that independent private sector AIs are also entering the market and attracting a high level of complaints relative to their low market share.

21. Market share is an eternal debate. The Welsh Government's statistical team looked closely at national completion figures and found they were seriously flawed. LABC and others also have reason to doubt NHBC figures and published figures. As an organisation we believe that the market share for building control, warranty provision and, probably the total number of new homes delivered are, different to the current accepted figures. For example,

NHBC claim 80% of the market. Others think this is not the case and that it may be 75% of warranty provision, but even lower for the building control service (some clients prefer to separate the building control and warranty provision). Premier Guarantee and LABC Warranty believe they have 25% market share. However, small and independent AIs market warranties that together could account for another 5%. A decade ago NHBC had a virtual monopoly on warranties, but this is no longer the case and it may now account for 70%.

*“We are repeatedly told by customers that Approved Inspectors do not ask for fan testing, water efficiency calculations, and energy efficiency calculations. We also understand that certain technologies (e.g. solar panels) that are applied to the DER/TER calculations are done so in order to pass the calculation, and may in reality contribute to reduced thermal performance. We remain concerned that issues such as cold bridging are not fully understood and embedded within house building. This could manifest itself as dampness within dwellings.”*

*“Self-certification is not always effective; many trades do not know what they are actually certifying.”*

*“Competent persons schemes are failing in new homes. Prior to the issue of a building control completion certificate CPS notifications are checked and the compared with what we see on site; on many occasions contractors are failing to finish their responsibilities but blaming Building Control for not issuing the completion certificate. It is all about educating the contractor to take responsibility for their work which clearly is not occurring. They just don’t want to go back for loose ends, but if that means the ventilation isn’t working it could have long terms issues for both the structure and the health of the occupants.”*

*“I have to mention my concern that the lack of scrutiny over how some CP schemes and AIs operate is something that will come back to haunt the industry when it is realised what a detrimental effect this is having on the quality of work being carried out to the existing housing stock.”*

*“We have a number of times received feedback that the NHBC won’t respond to peoples’ complaints, they push it onto the builder. We get much more negative feedback from new dwellings (and other works) inspected by other AI’s. This has even included serious structural defects in a new property.”*

*“Owners are under the impression that the Local Authority can get these issues rectified and on occasion have become aggressive when we are unable to intervene. Some members of the public have the impression that the Local Authority have ‘farmed off’ the Building Control service or that we have ‘invented’ this Building Control system ourselves and are reluctant to believe that the choice of which Building Control service is used lies with the developer or applicant.”*

## Inspections

- Inspections through warranty providers and for warranty are based on an actuarial view of risk, not on consumer protection or any desire to improve quality beyond the insured risk
- Where the warranty service is combined with a building control service, the actuarial approach is extended to building control and there are fewer inspections based on a risk-assessed approach with plots (individual dwellings) being sampled and inspected randomly to stop site agents ensuring they are especially good.
- LABC teams average 7 onsite inspections per plot (the highest response being 19 per plot and lowest being 4). This is far greater than the combined building control and

warranty inspections per plot undertaken by the private sector which LABC's warranty provider MD Insurance Services (MDIS) says is usually between 3 and 4.

- LABC Warranty conduct an average of 3 -4 additional inspections per plot. These 3-4 inspections plus the 7 average LABC inspections equates to a total of 10+ site inspections per plot by LABC
- We have been told by MDIS that LABC Warranty has lower claims to date than other providers because there are more site visits and more interventions made. The fact that many of our customers are smaller developers also probably helps in producing a lower claims ratio.
- Some services new to the market are offering 'value' but based on a maximum of 3 inspections.
- All LABC inspections take place onsite and photographs are not used except in exceptional and pre-agreed circumstances.

22. The use of photographs in place of a site visit is a challenge to LABC. LABC surveyors have local knowledge and can see how photographs can be useful and efficient in some circumstances specifically agreed between the surveyor and the site agent. However, the widespread use and reliance on photographs is seen as a risky and retrograde development. This was a topic looked at in the recent RICS publication, Building Control Journal...

*"Another trend is to accept photos in substitute for proper "safety boots on the ground" site inspections. A photo will only show what the taker wants you to see and to my mind is usually nigh on useless as a sound basis for approving a construction stage or element." Trevor Clements, RICS Journal, Nov 2015.*

*"Observation is that AIs especially non NHBC rarely visit site"*

*"Anecdotally we continue to see an increase in the number of AI's relying on photographs to satisfy inspection regimes."*

*"Many of these complaints are regarding lack of visits and inspections and the reliance on the builder's photographs to take the place of the visual inspection."*

*"Complaints relating to LABC are often from housebuilders/developers which relate to us doing our job well and identifying things which (according to them) are not usually picked up by AIs. This may suggest that AIs are not performing adequate onsite inspections in some cases which has the effect of allowing bad/poor practice to permeate into new construction as the 'norm' and only becomes apparent when identified by a different BCB."*

*"Our experience is that the majority of complaints and issues arising in respect of AI or self-certified work seem to be rooted in inadequate number/stages of inspection (some AIs). Typically these are issues that would have been relatively apparent had the work been regularly inspected, the logical conclusion being that the reason the faults exists is that the work was not inspected at the stage in question. Also lack of experience/training for Self-certified scheme members in unusual situations, or breadth of impact of B'Regs, or scope of the scheme they are operating under."*

*"Developers themselves appear to complaining a lot more about that lack of inspections by NHBC."*

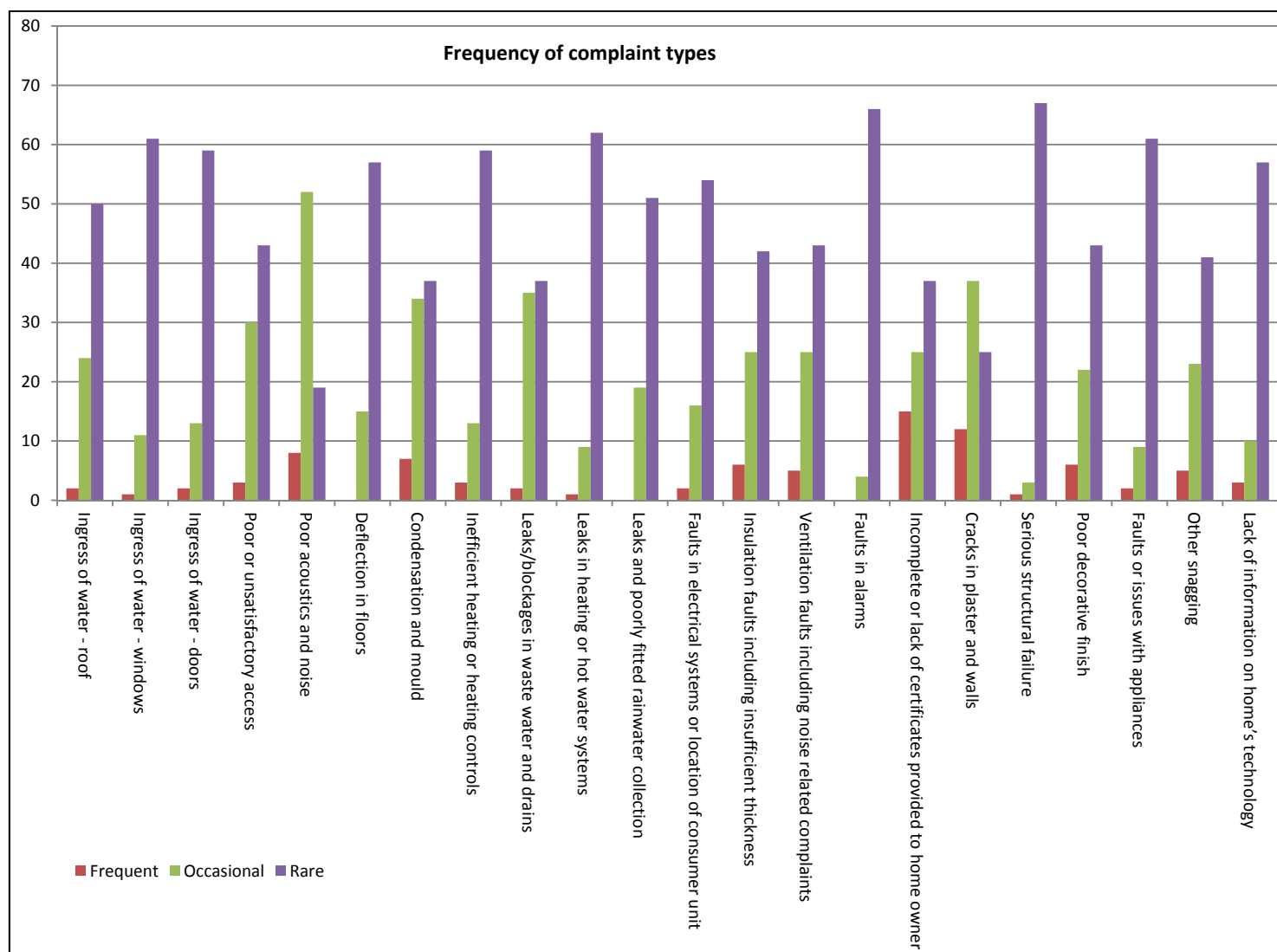
23. LABC's approach to improve quality and efficiency of compliance and building control is to focus on the design, the specification, the site management and the awareness of sub-contractor and trades specialists.
24. By providing free technical guidance (LABC Registered Construction Details) and supporting industry initiatives like the Zero Carbon Hub, LABC is delivering positive design guidance. By working with industry (manufacturers) we can streamline the 'pre-approval' of products specified for purchasing in the correct design. LABC runs its Registered Details scheme to do this. We also work with developers to approve their house types (sets of house designs that are repeatedly built on large sites or across multiple sites), this is usually another free service. All these add value but help developers to ensure their design is good and deliverable. When on site we work with the site agent (site manager). Site management is vital. Materials left exposed to the rain will distort when they dry within the building causing structural and decorative issues. Wind damage can also create problems where materials get torn and thereby lose their performance.
25. Trades people also inadvertently damage each other's work. The most dangerous is where fire compartments are damaged allowing heat and smoke to travel. However, most costly can be small nicks to pipes, water, waste and heating systems causing leaks that can take months to become apparent.
26. Coaching, training, advice, tips and hints are all part of the solution and they need to be delivered on site because this level of workforce rarely gets formal training. LABC is committed to this with its clients.

### **The Loss of SME Developers**

27. LABC supports the Federation of Master Builders (FMB) and absolutely shares its concern about the loss of SME developers in the new homes industry. Whilst we would not say that all large developers are bad (they definitely are not) or that all SME developers are excellent, our local authority members do have a very high regard for many small developers.
28. Surveys by the FMB have tracked the declining proportion of new homes built by SMEs. In the 80s two-thirds of new homes were built by SMEs and this has declined to less than one-third (27% in 2013). Even though output has increased, in 2014 FMB noted that the proportion of new homes delivered by SMEs had not matched the growth in output of large PLCs. (FMB House Builder's Survey 2015).
29. SME reputation is personal and a matter of survival. It's their product and they are known locally. They have hands-on involvement and are often delivering a premium product to be priced in that way. They often employ their own trades people and train them. They don't tend to work on high volume developments where the need to finish them on a specific day is a pressure. It's a personal business and they take personal responsibility.
30. In recent years a huge number of SME developers have been lost because of the difficulties in buying land, getting finance and surviving the planning process.

## A Close Look At Complaints

31. We asked the LABC heads to assess their information and then relate it to this list of detailed causes of complaints. In doing so we asked if they considered these types of complaint were becoming more frequent.



- Over recent years there has been significant emphasis on Part L Conservation of fuel and Power which as a result has shown some positive impacts on energy efficiency of new homes.
- Areas such as drainage, acoustics and inclusive design are showing a consistent rise in complaints. These are areas which are not being addressed through government or industry initiatives to focussed awareness and training.
- From the above chart respondent indicate that there is a constant level of water related complaints (either ingress from outside or leaks from waste and hot water systems) with no apparent initiative from industry to rethink design, specification, components or use of modular systems to combat the rising level of water related issues.

- Complaints about the incomplete set of certificates passed on from the developer to the home owner (required by solicitors and conveyancers) are also on the rise.

## Competition

- 30 years of competition and new elements entering the market are resulting in an inconsistent building control service and standard.
- Not all warranties offer the same level of insurance to home owners. Like all insurances, the difference is in the policy offered so things like ‘excess’ can vary greatly meaning that the home owner will have to contribute to fix the problem. The FCA compliance only covers how insurance is sold and not the value and usefulness of the policies being sold. This has created an issue where developers can buy low cost, low value warranties and still meet their obligations. However, these may not provide worthwhile protection to the home owner. Similarly, not all insurers are ‘A’ rated with formal operations in the UK/EC and this could cause issues if the insurance markets struggled or their capital fails to cover their insured risks in a downturn.
- Recession from 2008 changed the relationship between building control and the home owner; standards became commoditised resulting in some developers buying the cheapest available services and not necessarily the best. Providers of both building control and warranties were asked to ‘bid’ and at one stage building control was valued as low as £80 per plot which was a non-economic loss making price for everyone in the industry, only sustainable if subsidised by the warranty insurance commission income.
- Complying with building regulations is inconsistent as it is down in part to interpretation and also a willingness to inspect – e.g. disability access in new homes.

*“We have a problem in (the LA’s area) with no disabled access to new homes controlled by NHBC.”*

*“One off houses tend not to want to provide disabled access”*

*“Lower margins and a shift in business model appear to be having a detrimental effect on the quality of dwellings produced by some of the major players in the housing market.”*

*“If the Government truly want a BC industry that makes a real difference on sites (new build and other works) then they need to look very hard at the issues leading to the declining number of BC surveyors undertaking site inspections. If it is true that AIs don’t do the level of inspections that LA would traditionally do and we in LA are doing less, then the outcome can only be more failing buildings.”*

*“Of all the foundations we look at, 70% need a second visit, after the contractor has done further work for us, i.e. excavate the drain etc.... Regarding added value, there are very few structural failures, few fire deaths and few really leaky buildings, put simply without local government Building Control and LABC there would be carnage!”*

*“Competition has driven down the number inspections that can be priced for in order to get the contract.”*  
*“We have a new housing site locally inspected by approved inspector where there is no disabled access”*

## Site Issues

32. Since the recession the loss of many designated Site Agents to alternative career paths, coupled with changing roles and responsibilities of those on site is contributing to the disjointed overall management of a build from start to finish with no one person in charge who understands all of the different components.
- Subcontractors signing off work.
  - A clash of different trades on site with a lack of understanding as to how they could impact each other's work (e.g. plumbers detrimentally affecting the airtightness barrier).
  - Lack of an overall holistic view of a building site (lack of Clerk of Works perspective).
  - Poor training, lack of understanding or appreciation of what construction of a quality home entails.
  - Site preparation, organisation, materials specified and substitutions are not aligned and therefore vulnerable to each other's variations.

*"The quality of construction is dependent on the developer. As a rule we find that we carry out more inspections at the start of the project to iron out any problems later on. This will vary from site agent to site agent. They are the ones that drive the quality of construction or not as it happens on occasions".*

*"We found that many site engineers have limited knowledge of the Regulations, and leave work to be "signed off" by the subcontractors"*

*"Since no one uses clerk of works anymore and management companies have taken over the running of building Companies the quality of work has spiralled to poor."*

*"Major complaints of note are as follows: Damage to roof to block of flats as a result of high winds last year (apparently down to poor restraint fixings) (NHBC). Omission of smoke shaft to corridor within a block of flats. (NHBC)."*

*"From personal experience there seems to be a general lack of care on site, evidenced by punctured damp proof membranes that need repair, rubbish in cavities, and an over reliance on silicone and foam filler. This issue directly relates to skills and training, as well as adequate supervision, either by onsite management staff, Building Control, and warranty providers, many of which will have had to reduce resources to win work."*

*"One thing that does concern me is the lack of information that is given to home owners. In these days of competition, LA's are no longer a reliable source of local issues, particularly where poor ground is encountered and engineered foundations are used. In order to prevent poor quality of extensions to new dwellings, I think we need some form of database of engineered foundations. This could form some part of the AI's final certificate."*

## What About The Successes

33. New homes are generally better built nowadays in terms of structural performance largely due to the standards defined in regulations for structure, energy, acoustics, access and fire. Testing e.g. air pressure, acoustic (if Robust Details aren't used) and EPCs all help to focus

developers on achieving standards. Product and technical innovation has developed rapidly to provide affordable solutions and system build options. These have helped ensure performance and reduce costs.

34. Many new homes being built are of award winning quality and technical excellence. For example LABC Building Excellence awards receive over 360 entries each year (80 award winners for single homes per year) that are sites of bespoke, affordable, volume houses and apartments that demonstrate technical success, construction excellence and compliance.
35. Every year LABC publicises award winning developments and many developers regularly win these awards. High quality can be achieved and is usually achieved by the industry.

So how can success be encouraged and the number of complaints about quality issues be reduced?



## Recommendations

LABC suggestions for improvements in the Building Regulations and Building Control system that would either help improve quality construction on site or enable home owners to see and understand what has been recorded on their home by the different bodies involved.

### **1. Proposal: Specify elements of plan checking and site inspections that should be carried out by building control bodies. Why?**

The current building control system only stipulates that there should be a commencement and completion notification. Anything in between is decided by competing building control bodies, supposedly on the basis of a risk based service plan (taking into account the complexity of the site, the design, the history of the developer, the experience and quality of site management and sub-contractors). This has led to the 'commoditisation' of building control where developers ask for competing quotes. Therefore to win work and operate profitably, building control bodies need to present 'competitive quotes'. By specifying the elements of plan checking and site inspections, competition would at least be on the basis of a minimum set of inputs. The current risk is that to be successful in bidding for work, Building Control bodies will seek to do the minimum amount of inspection possible, and with the less scrupulous operators this can be very little indeed.

### **2. Proposal: Make inspection records and certification records and documents transparent and available to home owners.**

#### **(a) Proposal: Specify the plan check and site inspection records that should be retained, how this should be done, and ensure these can be made available to the end purchaser. Why?**

There are no requirements for building control bodies to record information about plan checks or site inspections in a specific way, nor do they have to use a system to capture and hold this information. Therefore, it is difficult for the public to obtain meaningful site and/or plot information (some records are about site information e.g. shared drains and sewers, whereas others are about plot specific information e.g. acoustic performance). Every building control body (including local authorities) work in their own way and there is no consensus between them as to what could or should not be revealed, for example if it is a local authority, in the event of a freedom of information request. Therefore any information eventually available to the public would vary enormously.

#### **(b) Proposal: Define the records collected and collated by the developer and given to the purchaser or occupier. Why?**

The public frequently have little understanding of how their home has been built, the technology in it or how to use and maintain it. Similarly there is no specification of what records should be made, their definition or how they should be recorded, stored and made available to home owners. At present, nobody has proof that everything to do with the building has been completed and 'checked'. This log would need to include: warranty documentation, building control documentation, completion certificate, Gas Safety, MVHR system, competent person scheme certificates, or 'suitably qualified' installers as well as instructions and guarantees for systems and appliances sold as part of the new home package by the developer.

### **3. Proposal: require that the Completion Certificate lists the regulations under which the dwelling has been built. Why?**

DCLG uses ‘transitional provisions’ that allow developers to delay construction to current standards. Under these provisions, by registering sites with building control and making a minimal start, they can construct that site or phase of a development to the standard in force at the time of registration – this arrangement applies indefinitely. Developers fully understand this and, looking at Part L of the Building Regulations for example (energy efficiency), the vast majority of current sites are being built to 2010 standards and not 2013. Some sites are still being completed to 2007 standards. The public do not understand this and naturally assume they are purchasing a new home to the current standard. Transitional provisions are used so that developers do not have to disrupt building work on projects that are already in-hand. However, they can be exploited by industry and we know that there is always a huge rush by developers to register and make the necessary ‘start’ so that as many sites as possible are covered by the transitional provisions. Once started a site may have hundreds of plots and take years to build out. This is why the public are being sold houses constructed to old standards.

### **4. Proposal: Create public information and a cross-industry initiatives to explain quality, warranty and regulatory compliance to home owners. Why?**

Home purchasers are probably more aware of site safety and the Considerate Constructors Scheme than they are of the complex relationships between all the parties responsible for delivering quality homes. Whilst virtually every building site displays safety and considerate constructor posters which has built public awareness, there is no scheme or initiative to explain quality. A similar situation occurred in relation to the introduction of other schemes like Gas Safety (everyone knew Corgi) and the competent persons schemes e.g. FENSA. Recently DCLG had to encourage and lead the electrical industry into publicising the role of competent persons and their membership of various schemes, plus the creation of a central register that the public could check. In new homes, the public think their local council is the final arbiter, but it isn’t. There needs to be an overview that the public can understand and all participants in the industry should carry or link to the same information.

### **5. Proposal: Coordinate the whole industry to close the training and skills gap**

#### **(a) Proposal: Set a minimum level of competence and training for site agents (site managers) to cover regulatory compliance and quality of work. Why?**

25 years ago it was common to have a ‘clerk of works’ on building sites who supervised tradespeople and sub-contractors. Where such a person was in place, building control had a direct relationship to this person. The introduction of offsite manufactured ‘system-build’ components, the reduction of directly employed trades people in favour of sub-contracting, and the increase in competent persons schemes and self-certifying trades all meant that the clerk of works role declined. The modern site agent in the best companies still takes this role, however, there are many who really only manage the on-site logistics and ensure delivery on time at the estimated cost. This has produced the absence of a quality culture because there is no champion and packages of work are done by different sub-contractor teams who feel little relationship to the whole home as a complete finished product. By making some training mandatory, just like Health and Safety, the culture and concern for quality could be fostered.

**(b) Proposal: Create an industry ‘hub’ or summit focussed on the cross training and awareness of different trades. Why?**

The Zero Carbon Hub supported by LABC showed how trades people through lack of appreciation, damage the work of others. In the field of energy conservation this was exemplified in damaging air tightness or the installed insulation. However, it is also common in damage to fire protection which is a life preservation issue, leaks by drilling into water systems and waste pipes, and, the delivery of good access by creating obstacles. Ultimately these are training issues and the whole industry needs a concerted approach. This was done on Part L because of the climate change debate and the realisation that there was a huge performance gap. Other issues would also benefit from that level of concern.

**6. Proposal: Introduce a requirement for Warranty products to meet defined standards. Why?**

Not all warranties on new homes have the same value and the level of insured protection varies greatly. The government requires that all new homes come with a warranty, but these warranties are placed on the market with insurers of different ratings. It is a market. In difficult times it is possible that insurers might become insolvent, cease trading or renege on the contract. ‘A’ rated insurers are global corporations that ensure they have a capital ratio, other insurers can be offshore or located in territories outside the control of the FCA, UK or EC. This can affect the value and cost of insurance giving a price advantage to lower quality policies. Similarly, there is no guidance on the value of the policy. For example, home owners may have to pay an excess that is likely to be as high as any re-construction cost. This means that low cost policies can be offered to developers that do not offer genuine protection to the home owner. When this is combined with unspecified risk based inspection regimes, home owners could find themselves with a home that has had virtually no inspection protected by a virtually worthless warranty.

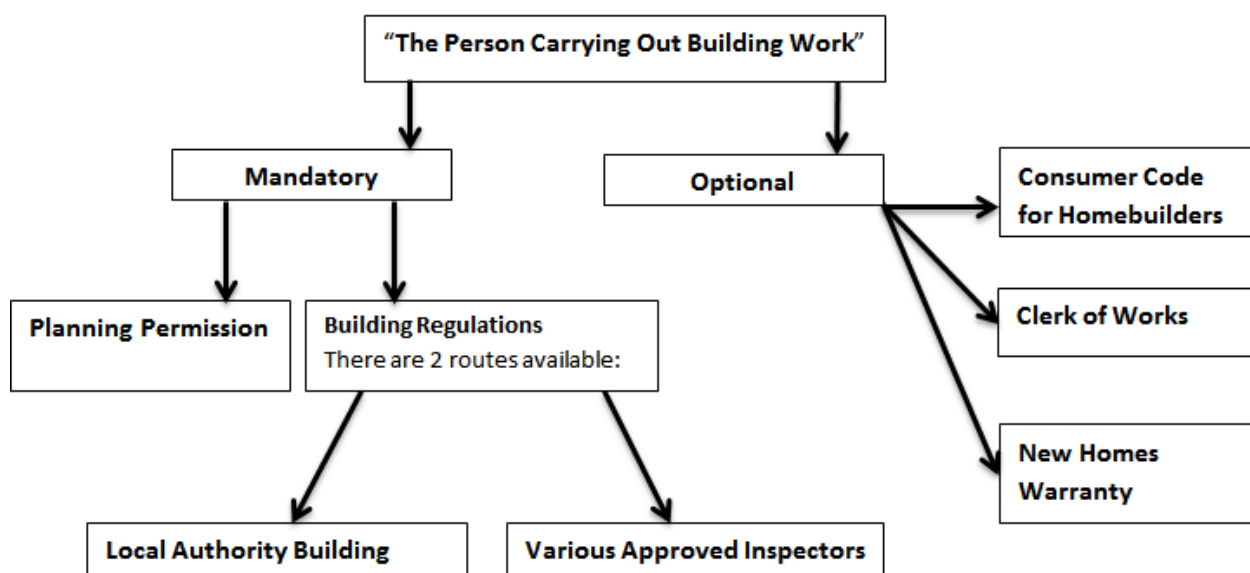
**7. Proposal: Include a test for ventilation in the records provided to home owners. Why?**

There is a mandatory requirement for testing mechanical ventilation and heat recovery systems, and naturally ventilated homes with extractor fans. Given the air tightness and thermal performance of homes, ventilation is important to healthy air quality. Yet there are many Building Control bodies that do not insist on the correct installation, testing and commissioning of these features. There is a requirement for air pressure testing which helps demonstrate the quality of energy saving and the ventilation performance could mirror this and be built into the mandatory Energy Performance Certificate (EPC). When competition between building control and warranty providers has driven down the value of building control some providers have radically reduced site visits and left the issues that can occur to the developers and insurers. This creates a nightmare for the occupiers because they need to prove the fault belongs to either or both of these parties. Ventilation issues are not noticed or understood by the occupiers until it is too late, therefore these are easily lost by ‘value’ services who still want to make a profit. By making the record a requirement they would have to be priced back into the service.

## Appendix 1:

### New Homes: Regulation and Quality

The regulatory system and the different routes to delivering compliance and quality can be difficult to understand. Whilst the general public hold the assumption that the local authority has overall responsibility for compliance and quality, the diagram below illustrates the different routes the developer may take, and the competing or complementary pathways and schemes that have a bearing on the quality and compliance of the finished home. The responsibility for compliance legally falls upon 'the person carrying out the work', who may be a self-builder or a developer. Out of all the bodies potentially involved in the project, only the Local Authority has the right to take enforcement action under law. However there is no single controlling body that co-ordinates a comprehensive route to compliance and quality. This falls upon the developer (the person carrying out the work) who is usually driven by the desire to achieve compliance by the easiest means possible.



#### Planning Permission:

Enforced by local authorities, it considers local impact and site layout but not build quality.

#### Building Regulations:

Minimum legal requirements for health & safety in buildings, access, security and energy efficiency. There are 2 routes available:

- Local Authority Building Control: Required by s91 of the Building Act, Local Authorities must provide a Building Regulation function on a not-for-profit basis. Local Authorities check the plans and inspect the work on site for compliance. Although some aspects of the work are self-certified by competent persons, Local Authorities must be satisfied that such work is complete before issuing a 'completion certificate'. The frequency of inspection is determined by 'risk assessment' and cost. Competition from the private sector affects income and therefore level of service. Many developers seek to drive down price and therefore determine the level of control.

- **Approved Inspectors:** A private sector alternative to Local Authority Building Control, carried out as a commercial undertaking. As with the Local Authority route, plans are checked and sites inspected (based on risk assessment) to ensure reasonable provision is achieved. Unlike Local Authorities, aspects of the work that are self-certified are not usually covered by the final certificate, resulting in no check for completion of these aspects. Where enforcement of the regulations is required the Approved Inspector must revert the work to the Local Authority.

Approved Inspectors are also affected by commercial pressure from developers in terms of cost and service level.

**Consumer Code for Homebuilders:**

A voluntary scheme that requires transparency, fairness and an option for dispute resolution. All homebuilders using the main warranty providers should comply with this code.

**Clerk of Works:** Client representative who enforces quality and compliance in general contracting, but seldom used in housebuilding where the site manager monitors subcontractors and quality of work.

**New Homes Warranty:** A warranty is required by mortgage providers, realistically making this voluntary item essential. The developer is responsible for defects within the first 2 years, thereafter the warranty provider for 8 years. The warranty provider has strict technical requirements beyond Building Regulations to protect the insurer. They risk manage claims to stay within the actuarial risk set by the insurer.

## Appendix 2:

### LABC Survey – Complaints made to local authority building control departments regarding new homes.

#### Definition of Complaint:

A complaint is defined as a resident in a new dwelling bringing their negative perception of a problem in their home to their council for an opinion or help.

The perceived problem may not be a Building Regulations matter; it could cover quality of finish and not be a matter over which a local authority can act. Whether the complaint is founded or judged immaterial does not matter; we are recording perceived complaints.

#### Part 1

How many complaints about NEW HOMES have you seen in the last 36 months?

Source	Number of complaints	place an 'x' in one box per question		
		Increasing	Decreasing	Staying the same
Complaints about your building control service				
Complaints about NHBC's* building control service				
Complaints about any other AI* building control service				
Complaints about quality issues not controllable under Building Regulations				
Complaints about structural defects under warranty products				
Complaints about self-certified trade work carried out on new homes				
Complaints about work that resulted in action to comply with Building Regulations				
What is the average number of inspections that you would expect to make (per unit) on new housing typical in your area?				
Add any observations of your own (try to make them evidenced based)...				

\* We are not targeting criticism at NHBC or other AIs; it is just that we know home owners sometimes try to use their council to progress complaints, even when the council has no involvement.

#### Part 2

This section relates to the subject of “complaints” coming to your attention from the occupants of new homes.

Please select either “Frequent”, “Occasional” or Rare by placing an “x” in the boxes below:

<i>Subject of complaints</i>	<i>Frequent</i>	<i>Occasional</i>	<i>Rare</i>
Ingress of water - roof			
Ingress of water - windows			
Ingress of water - doors			
Poor or unsatisfactory access			
Poor acoustics and noise			
Deflection in floors			
Condensation and mould			
Inefficient heating or heating controls			
Leaks/blockages in waste water and drains			
Leaks in heating or hot water systems			
Leaks and poorly fitted rainwater collection			
Faults in electrical systems or location of consumer unit			
Insulation faults including insufficient thickness			
Ventilation faults including noise related complaints			
Faults in alarms			
Incomplete or lack of certificates provided to home owner			
Cracks in plaster and walls			
Serious structural failure			
Poor decorative finish			
Faults or issues with appliances			
Other snagging			
Lack of information on home’s technology			
Other (state)			
Other (state)			

### **Appendix 3:**

#### **List of Authorities who responded to the LABC Survey**

Allerdale Borough Council Building Control

Amber Valley Building Control Service

Arun District Council Building Control

Ashfield District Council Building Control

Barking and Dagenham Building Control Service

Barnet Building Control Team

Barnsley Building Control Services

Barrow Building Control Department

Basingstoke and Deane Building Control

Bassetlaw District Council Building Control

Bath & North East Somerset Building Control

Bedford Borough Council Building Control

Blackpool Council Building Control

Boston Borough Council Building Control

Bradford Metropolitan District Council

Brent Building Control

Bridgend County Borough Council

Brighton and Hove Building Control

Bristol City Council Building Control

Broxbourne Borough Council Building Control

Bury Building Control

Calderdale Council Building Consultancy

Camden Council Building Control

Central Bedfordshire Council Building Control

Cheltenham and Tewkesbury Building Control Service



Cheshire West & Chester Council Building Consultancy  
City & County of Swansea  
City of London Building Control  
Civiance Cheshire East Council Building Control  
Copeland Borough Council Building Control  
Cornwall Council Building Control Services  
Dartford Borough Council Building Control  
Devon Building Control Partnership  
Dudley Metropolitan Borough Council Building Control  
East Cambridgeshire District Council Building Control  
East Hertfordshire District Council Building Control  
East Staffordshire Borough Council Building Control  
East Sussex Building Control Partnership  
Epping Forest District Council Building Control  
Flintshire County Council Building Control  
Forest of Dean District Council Building Control  
Gwynedd Council Building Control  
Hackney Council Building Control  
Halton Borough Council Building Control  
Harborough District Council Building Control  
Harrow Council Building Control  
Havant Borough Council Building Control  
Havering Council Building Control  
Herefordshire Council Building Control Services  
Hillingdon Council Building Control  
Hinckley & Bosworth Borough Council Building Control  
Kingston upon Hull City Council Building Control  
Kirklees Council Building Control

Leicester City Council Building Control

Lincs Building Consultancy

Liverpool City Council Building Control

Maldon District Council Building Control

Manchester City Council Building Control

Mansfield District Council Building Control

Merton Council Building Control

Middlesbrough Council Building Control

Milton Keynes Council Building Control

Monmouthshire County Council Building Control

Neath Port Talbot Council Building Control

Newham Council Building Control

North Devon Council Building Control

North East Lincolnshire Council Building Control

North Hertfordshire District Council Building Control

North Lincolnshire Council Building Control

North Tyneside Council Building Control

North West Leicestershire District Council Building Control

North Worcestershire Building Control

Northern Warwickshire Building Control Partnership

Oldham Council Building Control

Peterborough City Council Building Control Services

Plymouth City Council Building Control

Preston City Council Building Control

Reading Borough Council Building Control

Ribble Valley Borough Council Building Control Services

Rochdale Council Building Control

Runnymede Borough Council Building Control

Rushmoor Borough Council Building Control

Rutland Building Control Ltd

Sefton Council Building Control

Solihull Metropolitan Borough Council Building Control

South Gloucestershire Council Building Control

South Lakeland District Council Building Control

South Thames Gateway Building Control Partnership

South Tyneside Council Building Control

Southwark Council Building Control

Spelthorne Borough Council Building Control

St Albans District Council Building Control

Stevenage Borough Council Building Control

Stroud District Council Building Control

Suffolk Coastal District Council Building Control

Sutton Council Building Control

Tandridge District Council Building Control

Telford & Wrekin Council Building Control

Test Valley Borough Council Building Control

Thurrock Council Building Control

Torbay Council Building Control

Tower Hamlets Council Building Control

Uttlesford District Council Building Control

Warrington Borough Council Building Control

Waverley Borough Council Building Control

West Dorset District Council and Weymouth and Portland Borough Council Shared Services

West Lancashire Borough Council Building Control

Wirral Metropolitan Borough Council Building Control

Woking Borough Council Building Control

Wolverhampton City Council Building Consultancy

Wycombe District Council Building Control

Wyre Borough Council Building Control

York City Council Building Control