



Building for the future:

Recommendations for safe and sustainable planning

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Foreword

Douglas Barnett, Director, Mid-Market and Customer Risk Management, AXA UK



The UK is at a critical juncture in setting a long-term policy framework for housing and planning. This debate is intertwined with many of the Government's key overarching priorities, from delivering affordable housing across the UK, to levelling up across the regions and achieving highly ambitious targets on climate and sustainability. At the same time, Government is rightly taking action to improve building safety and ensure that we never again see another tragedy like Grenfell.

The levelling up agenda is the defining mission of this Government and is the cornerstone of Prime Minister Boris Johnson's domestic policy, but the announcements so far have failed to match the ambitious rhetoric. The creation of the new Department for Levelling Up, Housing and Communities, headed by Secretary of State Michael Gove, provides the perfect opportunity to deliver a radical shakeup of an antiquated planning system, with the principles of safety and sustainability embedded at every rung. By doing so, the Prime Minister can begin to deliver on his promise to transform the economic and social geography of the UK.

As one of the UK's leading property insurers, AXA UK takes a keen interest in all of these debates. It is widely accepted that the UK is in need of new homes and infrastructure. However, this should not be a debate purely in terms of 'how many', but also of 'what', 'where' and

'how' these are being built. Unless government places safety and resilience at the heart of the planning system then the UK risks repeating the mistakes of the post-war era: building homes and infrastructure totally unfit for future generations living in them, which must be pulled down or adapted decades later.

These are diverse but not necessarily competing pressures, which Government and industry must approach in a joined-up way. To that end, AXA UK recently convened an expert group of housing and planning policy stakeholders, including residential and commercial developers, town planners, construction industry groups, business associations and trade bodies. Our objective was to facilitate an in-depth discussion to explore the issues and make tangible recommendations as to how the Government's commendable ambitions to build more houses can best be squared with the necessity of ensuring safety and sustainability are at the heart of the housing and planning policy framework.

As an insurer, our core purpose is protection. However, in recent years, we are increasingly focused on prevention. As we have seen from high-profile fires and the increased frequency of flooding in recent years, prevention is critically important in the built environment. We welcome the recognition by Government and industry that the UK's regulatory framework must improve, particularly with regard to high-rise buildings, but there is so much more still to be done. As society changes and construction methods become more advanced and efficient, it is vitally important that the UK Government continues to put forward a domestic policy agenda and regulatory framework that reflects emerging trends, particularly around climate-related risks and building safety. We were pleased to see such a strong consensus emerge on this issue from our roundtable group.

Another central observation to emerge from our discussions was that the debates around housing and planning policy too often take place in siloes, focusing on one particular issue rather than considering these interconnected issues as a whole. Taking building safety as one example of this, a number of our contributors felt that, while issues around fire safety are of course paramount for high-rise buildings in the aftermath of Grenfell, the broader debate around safety has at times become overlooked, with crucial aspects such as flood risk and the growth of Modern Methods of Construction (MMC) not being considered to the same extent. We need to see a holistic conversation which looks at the safety – and ultimately insurability – of buildings in the round.

A well-designed planning system that works in alignment with a robust regulatory framework is the cornerstone for meeting these challenges. We also need to ensure we have a diverse, thriving construction industry with the necessary skills to ensure we can design, plan and create great, safe and sustainable places for current and future generations to live and work.

The recommendations below set out clear policy actions Government can take to meet the challenges ahead. These are AXA UK's recommendations, but they are informed by the many expert views we heard from our roundtable group. The time for action is now – we need to work in partnership with Government to implement long-term reform to our planning system and we hope the recommendations set out in this report can make a real and lasting contribution to any future proposals.

Executive summary

With the establishment of the Department for Levelling Up, Housing and Communities, headed by a new Secretary of State, Rt Hon Michael Gove MP, this is an opportune moment to go back to the drawing board and redesign a system that is fit to address the challenges currently facing the UK's built environment. Gove has signalled a pause in the Government's planning reforms, yet the new Department must not lose sight of the stark issues facing the planning industry which must be addressed.

Considering these challenges, AXA UK convened an expert group of stakeholders to help formulate clear policy recommendations which will inform the ongoing debate on planning reform in a way that ensures safety and sustainability are at the heart of the future policy and regulatory framework.

This report captures the key themes to emerge from the expert roundtable discussion. Our objective is to highlight the policy recom-

mendations which gained the greatest degree of traction and consensus, and which best align with AXA UK's desire to see Government prioritise the long-term resilience and safety of the UK built environment.

Our main recommendations are summarised in the following table.

 Insurability of Buildings	 Modern Methods of Construction (MMC)	 Flood Risk	 A Diverse Marketplace	 Skills
<ul style="list-style-type: none"> In future, principles of risk assessment, safety and insurability must be developed and enshrined at all stages of the planning process. A legal duty should be introduced for all developers to have due regard to the insurability of buildings at all stages of the process, from the very first planning application right through to the completion of construction. 	<ul style="list-style-type: none"> MMC could play an important role in enabling Government to meet its ambitious house-building targets quickly, affordably and sustainably. However, there was also clear recognition that, as usage of MMC increases, so does the risk posed by a lack of knowledge about these more untested methods which could have significant ramifications for safety. A publicly accessible and transparent online database should be established to serve as a go-to resource which hosts a record of all MMC properties and clearly defines the types of materials used. Government, regulators and industry should input into this resource, which should help to define what 'good' looks like in the use of MMC and to provide an early warning system of any safety concerns which emerge in these developments as a result. 	<ul style="list-style-type: none"> Government must protect flood risk areas from future developments. Around 120,000 new homes have been built in flood-prone areas of England and Wales over the past decade, with disadvantaged neighbourhoods bearing the brunt of this¹. There are several measures the Government can take with little downside risk. Installing Property Flood Resilience measures alongside fire resilience measures is key. Government must also pass schedule 3 of the Flood and Water Management Act and align planning policy related to Sustainable Drainage Systems (SUDS) as recommended by the Climate Change Committee. Government should also mandate flood resilience in building regulations and planning criteria. 	<ul style="list-style-type: none"> Policymakers should take steps to help smaller developers, especially new market entrants and SMEs, to navigate their way through the planning system, including putting in place a specific fund and named contacts at local planning authorities. There are tentative signs that the Government recognises the merits of diversifying the sector and ensuring SMEs can play a greater role. We call on Government to go further on this ambition, as we believe it is critical to not only meet the targets on numbers of new builds, but also to progress ensure standards are driven up. 	<ul style="list-style-type: none"> The Prime Minister had previously pledged to build an extra 300,000 new homes per year across the UK. These houses can only be built in a safe and sustainable way if we have a workforce with the skill set to make this a reality. <p>Government should develop a comprehensive skills strategy to ensure there is the expert capacity necessary within the construction sector. This should include degree, conversion and apprenticeship schemes alongside a specific focus on construction and the built environment in science, technology, engineering and mathematics (STEM) subjects at school and in further and higher education.</p>

¹ <https://iopscience.iop.org/article/10.1088/1748-9326/abec04>

Policy Context: Defining the challenge

THE CHALLENGE

The Independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt, highlighted significant flaws in the building standards and regulatory regime, a conclusion that has led to a loss of confidence in the safety of the UK's built environment.

The concern across the sector is that in trying to meet ambitious Government targets for housing and infrastructure delivery, standards in the built environment will be further undercut rather than improved. It is crucial that a balance is struck between short-term housing supply and the longer-term need for housing that is resilient and durable for future challenges – the latter of which Government has continued to overlook.

PLANNING REFORMS

The Prime Minister Boris Johnson pledged in his Conservative Party Conference speech in 2020 that he would “transform the sclerotic planning system”, having two months previously published the long-awaited Planning for the Future White Paper, which proposed the biggest shake-up in the planning system in England for decades. He declared in the foreword that the system was “outdated and ineffective... a relic from the middle of the 20th century” that is artificially constraining the country's potential, preventing homes from being built, businesses from expanding and people moving to where they could get the best jobs.

The reforms were designed to ease the building of at least 300,000 new homes annually with many younger people in the UK struggling to buy their first home after years of spiralling house prices. These were backed by Conservative MPs in the so-called “red wall” of former Labour seats, because they would free up disused sites for rapid redevelopment. There is and always will be obstacles to planning reform. The Prime Minister even noted so in the White Paper, stating that house-building and planning rules are always “controversial business”. They prompted a backlash by scores of Conservative MPs in the party's own traditional heartland of southern England, who threatened to vote against the proposals over fears it would allow developers to build on the greenbelt. Despite this, Government had previously remained unmoved and steadfast in its commitment to delivering a radical overhaul of the system. So, what changed?

The politics has now changed. The cabinet reshuffle saw Michael Gove take over the mantle at the newly revamped Department for Levelling Up, Housing and Communities and has since seen the



brakes firmly been put on the Government's flagship planning reforms, creating further uncertainty for the industry.

“Resolving the challenges of the UK planning system is fundamental to the Prime Minister's ability to deliver on levelling up, decarbonising the UK economy and ensuring these two ambitions do not compromise on safety.”

BUILDING SAFETY

It has been over four years since the Grenfell Tragedy and three years since the Hackitt Review, which starkly highlighted the flaws in fire safety regulations. The current regulatory approach has led to confusion around roles and responsibilities, industry competence and the storing of critical information that support assessment of safety risk.

The publication of the Building Safety Bill was a welcome and necessary step towards significantly improving the regulations around building and fire safety in England. The Bill was first introduced to the House of Commons on 5 July 2021, with the Government expecting the Bill to get Royal Assent in Spring 2022. A broad cross-section of the built environment sector has long-called for Government to deliver fundamental reform of the regulatory framework to strengthen oversight across the entire lifecycle of buildings, improve clarity in the responsibilities of all duty holders and ultimately, better protect lives and properties.

The legislation will bring forward a welcome improvement of the regulatory regime, particularly with the introduction of a new independent regulator and provisions to develop a ‘Golden Thread’ of information throughout a building’s life. However, the Bill defines high-risk buildings as being 18 metres or seven storeys and above. Considering height is not the sole determinant of risk, we would urge Government to consider how the scope of this legislation can be sustainably expanded in the medium term to cover other high-risk properties at any height. Furthermore, the Government’s approach to building safety needs to be consistent, for example the relaxation of Permitted Development Rights which could allow specific types of developments to circumvent many building regulations must be carefully managed.

The decision to shelve plans for wholesale planning reform, but to continue progress with the Building Safety Bill, points to a lack of join-up across Government departments. They cannot work in isolation and Government must ensure the principle of safety is embedded across all departments and agencies, as well as throughout the



entire planning process itself. When Government publish the Planning Bill, it is vital that these do not in any way undermine efforts to date on improving building safety and should in fact go further in putting safety at the very heart of the planning system.

SUSTAINABILITY

The recommendations set out in this report view the Government’s ambition to decarbonise the built environment, while ensuring safety is embedded throughout every rung of the planning process, as perfectly complementary. The built environment industry, along with the insurance sector, are at the forefront of dealing with the impact climate change has on communities and infrastructure all over the world. They are natural advocates for a greener future as they manage claims resulting from the damage caused by extreme weather events.

In recent years we have seen the introduction of new requirements for developers and landlords, particularly the need to comply with Building Regulations and Energy Performance Certificates (EPCs) to help improve energy efficiency and deliver decarbonisation of the built environment sector. From April 2023, landlords must not continue to let any buildings which have an EPC rating of less than E

unless the landlord registers an exemption, as part of Domestic Minimum Energy Efficiency Standard (MEES) Regulations.

We are now due the broader strategic thinking from Government, much of which may be published in the run up to or at COP26:

- The Heat and Building Strategy will set out the approach for decarbonising buildings in the UK over the next three decades
- HM Treasury’s Net Zero review, which forms part of a cross-government effort to support the UK’s transition to net zero, ahead of the Net Zero Strategy being published towards the end of this year
- A response to the Government’s consultation on The Future Buildings Standard, the second stage of a two-part consultation on changes to energy and ventilation standards

In addition, the Environment Bill is expected to receive Royal Assent before the end of the year. The Bill proposes a number of changes relevant to developers in England, which will be built into local plans and National Policy Statements. It is therefore important future planning reform complements the Bill, rather than overrides it. This report sets out a twin-track approach to ensuring Government, through its planning reforms, meets its ambitions to decarbonise the built environment while never compromising on building safety of new developments.



Key Findings and Recommendations

AXA UK's objective in convening an expert roundtable of housing and planning policy experts, alongside insurance and business representatives, was to draw on their insights to formulate clear policy recommendations which can inform the ongoing debate on planning reform in a way that ensures safety and sustainability are at the heart of the policy and regulatory framework.

In breakout rooms, our participants discussed two key overarching questions:

- 1** How can the Government balance the objectives of the Planning Bill, seeking to build more homes, with building and safety legislation to ensure a regulatory and planning environment is in place to allow more homes to be built without leading to sub-standard, unsafe housing?
- 2** How can the Planning Bill include the appropriate provisions to ensure developments and infrastructure are compliant with net zero and are appropriately resilient to climate change?

Attendees approached these questions from a wide variety of perspectives, and the discussions encompassed an exceptionally broad range of issues including flood risks, fire safety, insurability of buildings, join-up of decision making in Government, the skills gap and local authority resourcing. Our purpose is not to regurgitate every discussion point or policy idea, but rather to pull out the key common threads and policy recommendations that gained the greatest degree of traction and consensus, and which best align with AXA UK's desire to see a housing and planning policy framework that matches the Government's ambitions on safety and sustainability.



INSURABILITY OF BUILDINGS



Insurers are actively involved at all stages of the construction process and once a building is complete step in to provide insurance cover based on an assessment of risk. A key theme which emerged from our expert policy roundtable was that, in future, principles of risk assessment, safety and insurability must be developed and enshrined at all stages of the planning process.



CHRIS RUMSEY - SENIOR PUBLIC AFFAIRS ADVISER,
ASSOCIATION OF BRITISH INSURERS

“Consideration of safety, property protection and resilience throughout the planning process and the development of all new builds should help to ensure that those buildings will be insurable for the long-term.”

Linked to this, the Government must implement and expand the Building Safety Bill and ensure that the Building Safety Regulator is fully equipped to monitor and enforce compliance with buildings standards. A strengthened regulator will enable greater oversight across the lifecycle of buildings, while also clarifying the responsibilities of all duty holders and, ultimately, better protecting lives and properties. It is understandable that Government have proposed a proportionate and manageable scope for the legislation of buildings over 18 metres to support successful implementation, however, it is vital that Government identifies ways to expand the

² Modern methods of construction: who's doing what? (NHBC Foundation)

scope of the Bill going forward to protect against a two-tier regulatory system and enable a ‘Golden Thread’ of information to be collated for all buildings.

A legal duty should now be introduced for buildings at any height on developers to have due regard to the insurability of buildings at all stages of the process, from the very first planning application right through to the completion of construction. This duty should be included in the forthcoming Planning Bill to oblige companies in the planning and development sector, through law, to have due regard to the long-term safety and sustainability of new builds. Such a measure would safeguard the long-term future of our built environment against emerging climate risks such as those posed by extreme weather and flooding, thus supporting the Government’s wider environmental objectives, as well as guarding against wider safety concerns such as fire risk.

The Government is already taking welcome steps to boost safety through the Building Safety Bill. But with proposals still to come on how Government will meet its ambitious targets for significantly increased annual house building, this is the time to ensure that the new homes which are built will not become costly white elephants which are not insurable for the long term. A clear, legal duty to put insurability at the heart of the planning process will deliver this essential aim, and we call on Government to work with industry to make this a reality.

A clear, legal duty to put insurability at the heart of the planning process will deliver this essential aim - we call on Government to make this a reality.



MODERN METHODS OF CONSTRUCTION (MMC)



The National House Builders Council (NHBC) has described Modern Methods of Construction (MMC) as “a range of onsite techniques that provide alternatives to traditional house building”. MMC ranges from whole homes being constructed from factory-built volumetric modules, through to the use of innovative techniques for laying concrete blockwork onsite². Our roundtable participants recognised the important role that MMC could play in enabling Government to meet its ambitious house-building targets. However, there was also clear recognition that, as usage of MMC increases, so does the risk posed by a lack of knowledge about these more untested methods which could have significant ramifications for safety and costly maintenance or repairs for the homeowner.

As usage of MMC increases, so does the risk posed by a lack of knowledge about these methods which could have ramifications for safety and costly maintenance or repairs for the homeowner.

A key recommendation to emerge from the expert discussion was that a transparent database should be established to serve as a go-to resource which hosts information and best practice on MMC. Government, regulators and industry should input into this resource, which should help to define what ‘good’ looks like in the use of MMC. This should include information about existing housing developments and other buildings that have been developed using some form of MMC and provide an early warning system of any safety concerns

which emerge in these developments as a result. Many contributors believed following this approach would allow greater understanding in the industry and help build confidence. To help to build a “Golden Thread” of information on MMC, it should be mandatory for construction firms to provide this information upon the completion of any new builds.



JIM GLOCKLING - TECHNICAL DIRECTOR,
THE FIRE PROTECTION ASSOCIATION

“Currently, there is no way of easily accessing the necessary and relevant information on MMC, and the creation of a central database would be an invaluable resource to rectify this and assuage long-term safety concerns.”

This database should be hosted online in a publicly accessible format. It must be a living, breathing resource that can evolve as new MMCs emerge and recognise changing regulatory standards. As MMC become more common, failure to continue to track these developments in an industry-wide transparent database that includes information and the latest regulations on design, specification, materials and crucially construction will undermine confidence in the regulatory environment. Even more importantly, it will leave open the risk of unsafe materials and methods being used which would critically damage the Government’s ambitions to build more houses in a safe and sustainable way. To improve confidence in the system and make builds safe for the long term, the introduction of unified MMC standards and certification underpinned by an MMC database would enable a robust system that better incorporates property resilience in MMC builds.



FLOOD RISK



Planning policy, like all good policymaking, should be made for the long term. One key issue clearly outlined by our expert roundtable is increasing flood risk, which isn't being sufficiently planned for by Government. Long term projections show that record-breaking rainfall could be 10 times more likely by 2100³, due to climate change resulting in significantly greater flood risk and potential mass catastrophe for homeowners.

Government must be looking to protect flood risk areas from future developments at all times. Flooding is already the UK's biggest natural catastrophe risk, with the Environment Agency estimating that 5.2 million homes and businesses in England are at risk of flooding, with numbers rising over future decades⁴. With experts warning of potentially increased propensity and severity of flooding, this brings an unsustainable level of risk which we believe Government is not presently doing enough to address through its current planning and building safety reforms. Recent Government consultations on the issue are welcome, but the elevation of flood risk alongside that of fire safety must be a Government priority if we are to build sustainably for the long term. To do so, roundtable participants highlighted several measures the Government can take with little downside risk. Accessible measures to do so included protecting all at-risk flood areas from new developments and maintaining investment in flood defences and their maintenance.

5.2 million

homes and businesses in England are at risk of flooding.

The growing risk and prevalence of flooding in London properties is presenting a growing challenge for homeowners and insurers. In London, 235,000 residential properties and 37,000 commercial properties are at significant risk of surface water flooding⁵ and progress in increasing resilience to flooding across the entire UK is not keeping pace with the rising risk. Another aspect of resilience, the Flood Re

joint initiative between the Government and insurers that helps make flood risk insurance more affordable, has been criticised for not being designed “to support the necessary increase in resilience for current and future flood risks”⁶. Government should go one step further and consider mandating flood resilience in building regulations and planning criteria for residential and commercial developments, including those outside of Flood Re's remit. To develop this, the Government needs to work with industry to support better collection of robust data and evidence around the effectiveness, cost and proportionality of flood resilience measures.

AXA UK supports the introduction of a resilience rating system for buildings that covers design, construction and maintenance to give clarity and certainty for both occupiers and owners through a robust certified process. To bring forward proposals for a new resilience rating system, AXA UK is working with both the Fire Protection Association, the UK's National Fire Safety Organisation, and UL, the global safety science leader as we jointly firmly believe resilience rating will help to determine the true risk exposure a particular property faces while improving transparency across the UK's built environment.

Another immediate step suggested in our expert roundtable was for Government to pass schedule 3 of the Flood and Water Management Act and align planning policy related to Sustainable Drainage Systems (SUDS) as recommended by the Climate Change Committee in its recent report⁷. When introducing measures in the Act, the then-Coalition Government wanted to increase the use of SUDS in new developments and redevelopments “wherever possible”. Schedule 3 of the Act introduces standards for the design, construction, maintenance and operation of new drainage systems, and an ‘approving body’. Ten years on, these measures have failed to be implemented in full. So, it is time for Government to act to remedy this without further delay.

Implementing these measures would enable the construction of more sustainable and insurable buildings, reducing risk in the system for all involved including, most importantly, occupiers.

In addition, the Government must immediately stop building inappropriate developments in flood risk areas and encourage a more transparent planning application process with clear monitoring and reporting by Local Authorities on planning decisions with regard to flood risk. This will provide greater reassurance to insurers, local communities and occupants alike who are concerned about the potential impacts of new developments.



KATHERINE GREIG - HEAD OF TRANSITION,
FLOOD RE

“Property flood resilience, including sustainable urban drainage (SUDS) solutions, should be included in all planning phases as a matter of habit rather than exception.”



³ <https://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2021/record-breaking-rainfall-more-likely-due-to-climate-change> ⁴ National Flood and Coastal Erosion Risk Management Strategy for England. Environment Agency. 2019. (publishing.service.gov.uk) ⁵ London Environment Strategy. Mayor of London. 2018 (London.gov.uk) ⁶ <https://www.lse.ac.uk/granthaminstitute/news/flood-risk-is-rising-and-so-must-our-resilience-to-it/> ⁷ <https://www.theccc.org.uk/publication/2021-progress-report-to-parliament/>

A DIVERSE MARKETPLACE



As the planning system has become more complex, one consequence has been a dwindling in the number and type of developers that can navigate the system and deliver the UK's construction needs. Industry representatives at our roundtable

highlighted data⁹ showing that SME housebuilders used to deliver up to 40% of new UK completed homes, whereas the latest figure puts SME development at just 12%.

Forty years ago,
SME housebuilders
were responsible for

40%

of new-build UK homes,
but today deliver just

12%

A view came through in our expert roundtable that a more competitive market in housebuilding, with new entrants competing alongside established players, is necessary if the UK Government is going to be able to meet its ambitious targets for new builds. This is not purely a matter of volume – a more diverse and competitive market of developers should also help to drive up standards and lead to the construction of better quality, safer buildings. To facilitate this, Government should take steps to help new developers, especially SMEs, to navigate their way through the planning system. At present, too often it is only those firms who can afford expensive consultancy fees, that are able to negotiate their way around this often-labyrinthine system. A specific fund and named contacts at local planning authorities to help SME developers negotiate their way through the planning system.



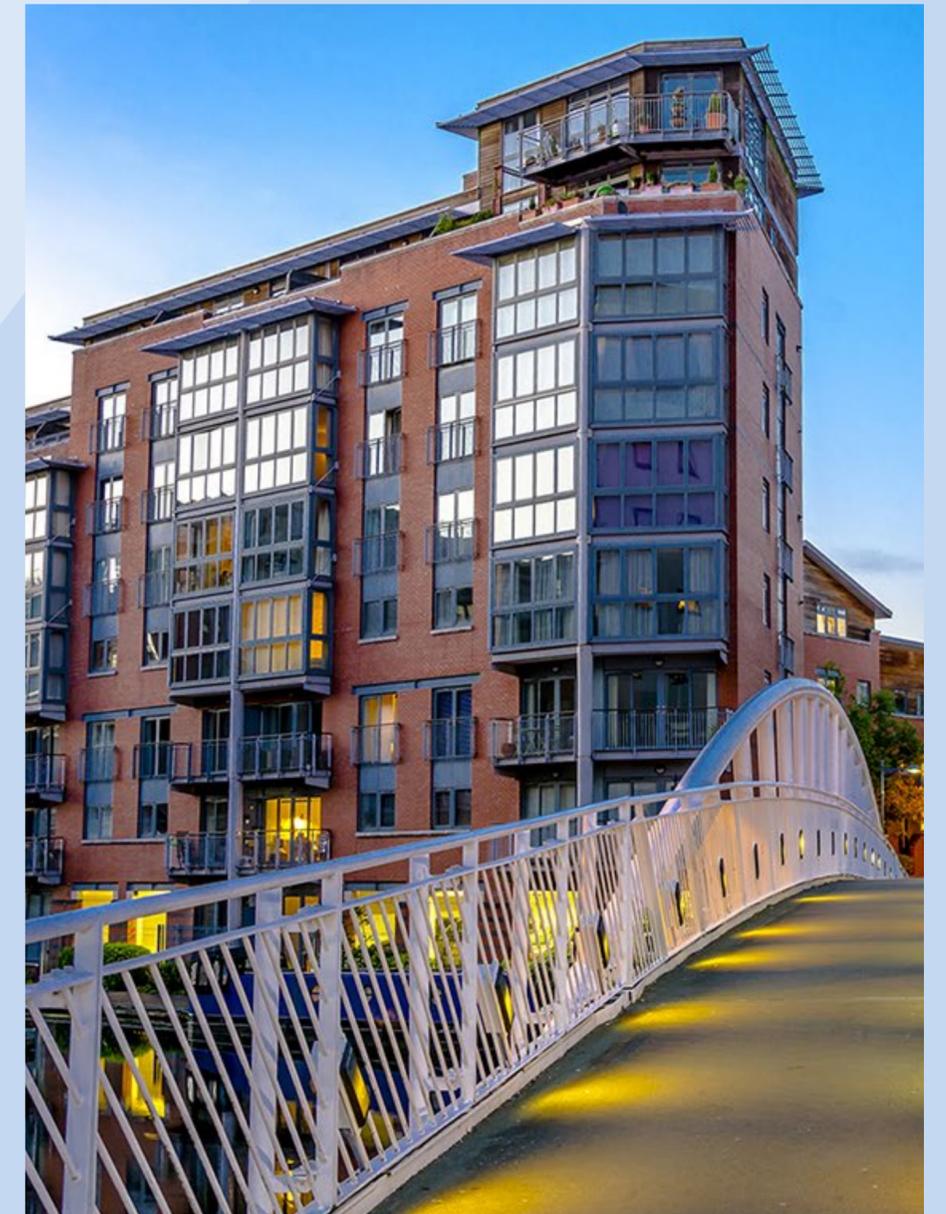
JESSICA LEVY - DIRECTOR OF COMMUNICATIONS,
FEDERATION OF MASTER BUILDERS

“61% of small builders see the planning system as a major constraint on their ability to build more homes. Only by resourcing local planning departments better and creating a dedicated resource or contact to help SMEs through the process, will unnecessary burdens and delays be avoided.”

However, this situation need not remain the norm. Last year, ahead of publication of the Planning Bill, the All-Party Parliamentary Group for SME House Builders reported on ways to improve the planning system in the UK.¹⁰ The APPG highlighted that the local authorities with the most successful record for affordable housing delivery each have their own commercial department and affordable housing company. These councils included local authorities led by each of the main political parties - Greenwich (Labour), Wokingham (Conservative), Eastleigh (Lib Dem). We recognise not every local authority has resource to implement this at present, but the Government should move to invest and upskill local planning authorities so those involved in the process help SMEs navigate the system.

There are tentative signs that the Government recognises the merits of diversifying the sector and ensuring SMES can play a greater role, with Housing Minister, Christopher Pincher, acknowledging that a

thriving SME sector will be crucial to meeting house building targets and ambitions when he outlined a £300m Housing Growth Partnership to boost funding for SME developers. We would like to see Government go further on this ambition, as we believe it is critical if we are to not only meet the targets on numbers of new builds, but crucially to also ensure standards are driven up.



⁸ Consultation on the Implementation of the Sustainable Drainage Systems (SuDS) provisions in Schedule 3 to the Flood and Water Management Act 2010 (publishing.service.gov.uk)

⁹ Federation of Master Builders | SME house building | Federation of Master Builders (fmb.org.uk) ¹⁰ APPG on SME House Builders Report

SKILLS



The Government's target of building at least 300,000 new homes annually is ambitious and, for those seeking to get on the housing ladder for the first time, highly welcome. It is for others to determine whether 300,000 is the correct number,

but if Government is going to pursue this level of ambition, they must not lose sight of the 'what', 'where' and 'how' of meeting such a target. Safety and sustainability must be at the heart of addressing these questions.

Property can only be built in a safe and sustainable way if we have a workforce with the skill set to make this a reality. Roundtable participants regularly referenced the significant skills gap in the UK construction industry¹¹ and urged Government to plan for how it will address the shortage of professionals such as architects, planners and builders, as well as meeting wider labour requirements, in order for delivery to match rhetoric.



DOUGLAS BARNETT - DIRECTOR MID-MARKET AND CUSTOMER RISK MANAGEMENT, AXA UK

“As a matter of urgency, the Government must address the skills shortage in this country, especially in the built environment sector where the UK already faces a significant gap in knowledge, experience and resource.”



One means of addressing this is through a comprehensive industry-led skills strategy for the construction sector that can ensure there is expert capacity in the system to deliver well-planned, suitable and safe housing and infrastructure. This should build on the Government's 'Skills for Jobs: Learning for Opportunity and Growth'¹² White Paper in January 2021 by putting "employers at the heart of the system" and should include degree, conversion and apprenticeship schemes to ensure there is broad access for all age groups and backgrounds. Many industry representatives at our roundtable suggested that as part of a renewed skills strategy, government should broaden its focus on increasing uptake of STEM subjects at school and in further and higher education. Whichever policy

lever is chosen, the Government must ensure these principles are embedded throughout the planning process to tackle the low-carbon skills gap and deliver safer and more sustainable housing delivery.

Such a reform would recognise the importance of addressing the skills gap if we are to meet our ambitions for large scale housebuilding which does not compromise on safety or sustainability. It would also have associated benefits for the Government's wider levelling up ambitions, as improved skills in the built environment sector will also be vital as the UK seeks to upgrade its wider infrastructure across the regions.

¹¹ Construction facing labour squeeze as vacancies soar | Construction News

¹² Skills for Jobs: Learning for Opportunity and Growth. January 2021 (publishing.service.gov.uk)

Conclusion

We have set out the challenges facing Government in this report and provided clear policy recommendations, informed by a cross-section of industry experts, including:



Insurability of Buildings: A legal duty should now be introduced for all developers to have due regard to the insurability of buildings at all stages of the process, from the very first planning application right through to the completion of construction.



Modern Methods of Construction (MMC): Establish a database to serve as a go-to resource for the wider industry which hosts information and best practice on MMC, including a record of all MMC properties and the types of materials used.



Flood Risk: Alongside safeguarding flood-risk areas from new developments, Government should enact schedule 3 of the Flood and Water Management Act and align planning policy related to Sustainable Drainage Systems (SUDS), as well as mandating flood resilience in building regulations and planning criteria.



A Diverse Marketplace: A specific fund and named contacts at local planning authorities to help SME developers negotiate their way through the planning system.



Skills: Government to develop a comprehensive industry-led skills strategy to ensure there is the expert capacity necessary within the construction sector.



We look forward to discussing these recommendations further with policymakers, the planning and construction industry and our insurance industry peers, and stand ready to do all we can to help make these policy recommendations a reality.

We would like to thank the participants in our expert policy roundtable who generously gave up their time and provided invaluable ideas and recommendations. They may not necessarily agree with every piece of analysis and recommendation made in the report, which represents AXA UK's own view, but is heavily informed by their expert insights. We would also like to thank Cicero/amo for their support in developing this report, including Iain Anderson, Cicero/amo's Executive Chairman, for giving up his time to Chair the roundtable.

Attendees:

- Adas Rico Wojtulewicz-Richmond, **National Federation of Builders and House Builders Association**, Head of Housing and Planning Policy
- Richard Blyth, **Royal Town Planning Institute**, Head of Policy, Practice and Research
- Katherine Greig, **Flood Re**, Head of Transition
- Rachel Butler, **Bruntwood**, Head of Health, Safety and Risk
- Jim Glockling, **Fire Protection Association**, Technical Director
- Tim Miller, **CBI**, Senior Sector Adviser, Infrastructure and Energy
- Dougie Barnett, **AXA UK**, Director, Mid-Market and Customer Risk Management
- Chris Rumsey, **Association of British Insurers**, Senior Public Affairs Adviser
- Jessica Levy, **Federation of Master Builders**, Director of Communications
- Hew Edgar, **Chartered Institute of Building**, Associate Director Policy
- Ben Brown, **Landscape Institute**, Head of Policy
- Jonathon Murphy, **AXA UK**, Public Affairs Manager