

Navigating Utility Policy In A Capital-Constrained Market

HBF Policy Conference - 2026



5 Policy Areas. 3 Lenses. 10 minutes.

Insights

What the regulations, data and market trends tell us

Opinions

Our read — key perspectives

Actions

Things to think about

1 Heat

2 Water & Drainage

3 Future Homes Standard

4 Fibre

5 Power

Policy Creation Is Situational.

Project Viability Under Pressure

- Viability stretched on most schemes
- High early WIP challenging

Build Cost Inflation Sticky

- Materials & labour cost not retreating
- Global events affecting supply chain

Sales Rate Fragile

- Confidence is low
- Structural affordability issues

Sales Price Stagnant

- Limited headroom to pass cost forward

Which means...

We are in year of the CFO (again!)

ASHP Leads. Ground Source Beats Networked

HEAT

INSIGHT

- “Standard” ASHP solutions remain default selection
- Ground source on-plot winning by default where power an issue
- Aligns with plot build and sales sequence
- Domestic sovereignty, individual metering and “control” matters to UK buyers
- Networked heat losing ground on cost, space and installation complexity

OPINION

- Carbon performance similar across all
- Consumer protection is in its infancy vs electricity
- Ofgem started regulating Jan 26 with no price cap yet
- Protections explicitly 'similar but not identical' to electricity
- Homeowners currently unfamiliar with heat-as-a-service billing models

ACTION

- Defer to the simplest mode of delivery for site
- Use smaller sites to refine thinking, pilot new tech
- Build in flexibility on larger sites for flipping later parcels
- Per plot over networked / community for now

Stealing The Top Constraint Spot From Power

WATER & DRAINAGE

INSIGHT

- Years of unspent infrastructure charges = genuine physical capacity constraints, not theoretical
- Planning mechanisms increasingly used to navigate statutory obligations
- No temporary electricity generation equivalent for water
- NAV project volume increasing significantly and OFWAT could become a bottleneck

OPINION

- Emerging biggest constraint to viability and progress.
- Risks are often hidden in mountains of reports and can / do change
- Specialist early engagement is now critical.
- Physical infrastructure upgrades will take time and are reliant on scarce resources

ACTION

- Move water and waste onto the critical path on every live scheme. Today
- Get flexible, ask the right questions, lean on your chosen NAV and use the process
- Get specialist support in early, it increases certainty.
- Significant savings can be found in your drainage solutions, engage the NAV's

If I Was A Betting Man.....

FUTURE HOMES STANDARD

INSIGHT

- Committed for 2025, still not published, risk
- Best guess is legislation end 2026, full compliance 2028
- Minister at Nov 2025 Future Homes Conference: months or years away? Answer: 'Possibly'
- Treat 2028 as a floor, not a ceiling

OPINION

- Delay is an opportunity.. use it, don't waste it.
- Early lock-in to a single technical solution is the real risk, develop plan B's
- Maintain optionality until there is genuine regulatory certainty

ACTION

- Don't over-commit WIP on schemes completing 2027+
- Keep solution flexibility alive, costs little now - lean on your MU provider.
- Be ready for when it inevitably kicks in, compliant house types and layouts

No-One Got Fired For Choosing Openreach

FIBRE

INSIGHT

- The most valued service by customers by a long way
- Single-ISP AltNet failures are happening
- Higher rebate models proving financially unsustainable for all but the most established
- Market self-correcting toward true multi-ISP and Openreach co-existence

OPINION

- AltNet failure leaves homeowners with very limited protection - no supplier of last resort equivalent to electricity
- No-one got fired for choosing Openreach ++
- Rebate levels may not always win, but provider stability risk disappears entirely
- Risk assess supplier choice

ACTION

- Consider new fibre entrants VERY carefully.
- Add provider financial health to procurement checklist
- Check real number of “domestic” ISP’s that WILL be available on your development
- Established Multi-ISP or Openreach co-existence is the no-regrets position

From Confusion To Community Energy

POWER

INSIGHT

- Power still constrained but there are solutions
- Latest grid consultation will not delay our schemes but also wont change anything quickly
- Private network models from I&C sector moving into residential.
- Cost for lower bills solutions must emerge somewhere.

OPINION

- Grid reform direction is positive for residential connections long term
- Get your demand profile right and scrutinise non-residential loads
- License-exempt private networks sit outside standard Ofgem protections.
- Evaluate alternatives carefully, understand the whole lifecycle

ACTION

- Keep specialist power grid engagement live on each project, if you don't others will & track milestones
- Apply consumer, regulatory and commercial scrutiny to alternative network propositions before adoption
- Consider the effect on limiting choice on customers.

Actions: Three Things For This Week

01

Risk based approach to project power finding, capture and retention.

02

Put water on the critical path from day 1 & squeeze drainage savings out of NAV's

03

Multi-level due diligence on alternative solutions including customer protection, financial robustness and regulator oversight

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Thanks for listening,
Any Questions?



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