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Stewart Baseley,
Executive Chairman

EXECUTIVE CHAIRMAN'S FOREWORD

June's referendum result ensured that 2016 will go down as one of the most tumultuous in British political history. The implications of the vote reverberated through every sector of the UK's economy and house building was no exception.

Prior to the referendum we were being put under acute pressure by Government to deliver further increases in housing supply. We were at pains to stress the huge progress being made but stressed we were keen to go further. As a result in May, on behalf of our larger members we published a joint 'Statement of Intent' with Government. It set out how as an industry we intended to deliver further increases, and how Government would continue to develop the policy framework to enable us to do so.

The referendum through everything up in the air. In the immediate aftermath of the vote, with many predicting a collapse in consumer confidence and thus demand for new homes, we held a series of meetings with members and ministers. These ensured that Government was aware of the prevailing market conditions and was ready to act if required. As it turned out, bar a blip for week or so after, the Vote had negligible impact on new homes sales – and thus supply.

The resultant Government changes led to a period of calm as new ministers got up to speed with their briefs, but the pressure to increase housing supply soon returned.

Figures published in autumn showed that there were around 190k additions to the housing stock in 2015/16 up 52% in the previous three years, of which 163k were new build homes, up 38%. But, understandably considering the shortfall in homes we now face, and the pro development policies they have introduced, Government was pushing for more.

In our communications with new ministers we continued to stress what further policy interventions we felt were required for us to be able to deliver – in particular with regards to moves to speed up the planning system and measures to assist SME builders.

Ensuring Local Authorities have robust Local Plans in places is an essential part of our plan led system. Throughout last year we appeared at every Local Plan Inquiry to try and ensure that emerging plans were realistic. Whilst simplifying and speeding up the system generally would lead to more land coming forward more quickly. It would also, in particular, help SME builders, who are particularly hampered by the system's cost and bureaucracy.

This was one of the key recommendations we made in the report on SME builders we published and sent to Government.

We welcomed the subsequent White Paper when it was published earlier this year and covers a lot of what we have been calling for. Some have suggested it was not radical enough but I think over time it will prove to be a framework within which we can deliver further increases in supply. Moving forward we will be looking to input into the various consultations to ensure what emerges works from an industry perspective.

If we are to build more high quality homes, one thing is certain, we need to increase industry capacity and recruit and train more people. To help achieve this, in March we launched the Home Building Skills Partnership. Under the chairmanship of Redrow CEO John Tutte, and funded by a multi million pound CITB grant, the Partnership aims to identify how the industry and supply chain tackle what is probably now our biggest challenge. The Partnership now has four full time staff and huge progress is already being made.

We are engaging Government with regards to Help to Buy. The scheme has played a big part in the increase in volumes we have seen and whilst its planned withdrawal in 2021 is still some years off, as we know, house building is a long term process. Already investment decisions are arising for which policy certainty is required.

Customer service and build quality are also now a huge focus for us. We are, under the chairmanship of Crest CEO Stephen Stone, looking closely at the recommendations made in the APPG report on these issues last year; and have been trying to add balance to some of the numerous media reports that have appeared in recent months.

Space doesn't permit me to go into further detail but there is much more on our work through 2016 on the following pages.

On a personal level I would like to thank all the staff at HBF and also the board, for their guidance throughout a very busy year; and for all the kind words and good wishes I received during my period of ill health. I would also like to place on record my sincerest thanks and best wishes to two of our Directors, John Stewart and Dave Mitchell, who have both contributed greatly to HBF's work over many years. We all wish you both a very happy retirements.





HBF COMMITTEES

HBF's committees reflect the day to day work of the in-house policy team. They provide invaluable member feedback on issues or policy implementation that helps to inform HBF in its discussions with Ministers, officials and stakeholders or for industry responses to consultations. HBF is extremely grateful to the people who give their time for committee meetings and especially to the Chairs, listed below.

National Planning Committee – Philip Barnes

National Technical and Sustainability Committee – Dale Saunders

Health and Safety Forum – Paul Haxell

Retirement Home Builders Group – John Slaughter

Careers, Skills and Training Committee – Bruce Boughton

Small Developer Group – David Bryant

UEPC represents housebuilder's in the European Parliament and with the European Commission. HBF is represented on UEPC by John Slaughter, Mike Freshney and Terry Roydon, who is currently UEPC President

MEET THE TEAM



*Peter Andrew,
Deputy Executive
Chairman.*

"With the pressure from Government to increase delivery and the fallout from the Brexit vote, 2016 proved an incredibly busy year. Throughout HBF worked to ensure Government ministers and officials were aware of house builders concerns as they deliberated over housing policy. The weeks after Brexit in particular proved the value of having a respected, strong industry voice as together with members we held a series of meetings to ensure Government was abreast of the industry position."



*Andrew Whitaker,
Planning Director.*

"The Housing and Planning Act and the Neighbourhood Planning Bill led to a busy time lobbying in both the House of Commons and the House of Lords. Implementation of the Act was delayed by the promise of a Housing White Paper, announced at the Conservative Party Conference but not finally published until the New Year. Independent reviews of parts of the planning system by the Local Plans Expert Group and the Community Infrastructure Levy Review Team both sought significant input from HBF. The proposals set out in the Housing White Paper will present the main challenges for 2017 with associated primary and secondary legislation alongside consultations on various planning policy changes proposed."



*John Slaughter,
Director of
External Affairs*

"Skills remained a major issue for the industry in 2016 and HBF stepped up its work in this field significantly with the establishment of the CITB-supported Home Building Skills Partnership to research, develop and implement new interventions to help companies recruit and train more people in key industry roles. There was much other change to engage with ranging from the continuing reform process at the Construction Industry Training Board to the proposed introduction of the government's Apprenticeship Levy and forthcoming changes to apprenticeship standards and 16-18 year old vocational education. In all these areas we worked with members through the Skills Partnership ensure that home builders' wishes and requirements were taken into account by CITB and government in developing their ideas. The benefits of a collaborative approach were increasingly recognised in pursuing better outcomes that are vital for future industry capacity."



*David O'Leary,
Policy Director*

"New ministers redoubled their predecessors' efforts to increase and accelerate housing supply. Whilst this interest is generally positive for the industry, HBF has played a key role in ensuring that ministers and officials are making decisions based on the best possible information. This was illustrated best through our 'Ghost Towns' report and the work with members on the Statement of Intent along with our reporting of spurious pre-commencement conditions imposed by councils.

We have articulated to policymakers the specific obstacles for SMEs and positively influenced the debate around improving the diversity of the industry by promoting focused and realistic solutions to address problems developers face in accessing land and finance. As well as the 'here and now' we continue to look beyond the medium-term, and to this end, kicked off discussions with government, lenders and members about the future of Help to Buy or any successor initiative."



*Steve Turner,
Director of
Communications.*

"Housebuilding issues remained in the spotlight throughout the year. The political focus on housebuilding created significant debate about how the industry builds more, whilst there was an acute focus on where homes are built and the quality of the product. HBF continued to represent the industry on all these issues. Through its various channels – social media, web sites, conferences, member briefings/newsletters/meetings – HBF ensured that internal and external audiences were kept abreast of developments from an industry perspective"



*Dave Mitchell,
Technical Director*

"HBFs technical groups continued to ensure the industry was abreast of the wide variety of issues that impact our industry and was responding to all relevant consultations, in particular with regards to flooding. We also continued to develop processes with regards to broadband provision for new homes and developed agreements with a number of suppliers. More generally, with more people working on more sites, we continue to work with members to ensure personnel safety remains priority." Dave Mitchell will retire from HBF in May 2017. Craig Ferrans was appointed in April as Dave's replacement.

2016

OUR YEAR 2016

STATEMENT OF INTENT

This was issued in May following months of meetings with Ministers and officials. It was aimed at addressing concerns from Ministers that the industry was not increasing output quickly enough. We produced a report that detailed the level of output increases and, following analysis of 300 large sites managed to convince ministers that their belief that output on large sites was around 48 units a year was misfounded. Indeed, the real-life examples suggested it was actually almost double that level.

As part of the Statement, HBF on behalf of our larger members pledged to work with Government to deliver one million homes in the parliament; to continue to grow its businesses, invest more in training and provide more transparency around build out rates. In return Government pledged to continue to develop policies that would allow the industry to deliver more. The Statement headed off calls from some in Government for more onerous policies aimed at forcing the industry to build more quickly.

As part of it we also pledged to develop a 'Land Shop' web site that would allow members to buy and sell land. The site is now operational. (www.hbflandshop.co.uk)

HELP TO BUY

Help to Buy continues to drive demand for new homes and the positive supply-side response since mid-2013 is undeniable. With the scheme due to conclude in 2021 and as that timeframe begins to loom large for house builders in considering land acquisitions, we have begun discussions

with Ministers and officials with regards to what provision will be made for post 2021 when the scheme is scheduled to conclude.



In just the period
2007-2009, one-third
of **small companies**
ceased building homes.



STARTER HOMES

Discussions on the Starter Homes policy continued through the year. We responded to the Technical Consultation published in March and sat on the Government's Starter Homes Technical Working Group working with officials, lenders and others to ensure that house builders' position was always considered. The White Paper saw Starter Homes reverting back to what was originally perceived for the scheme, primarily as a vehicle for bringing forward additional sites that otherwise would not be viable – a sensible move many in the industry welcomed. The problems associated with the potentially inflexible starter homes requirement on all sites has thus largely been averted.

BUILD QUALITY AND CUSTOMER SERVICE

In the spring an All Party Parliamentary Group undertook an enquiry into customer service and build quality in new build homes. We appeared to give evidence and made a submission. The report, published in summer made a number of recommendations as to how perceived failings should be addressed. HBF set up a high level steering group up to look at each of the recommendations amidst an increased focus on the issues raised in the report. This work is ongoing and will inform future measures to drive up quality and service levels. Work streams include examining; how we further increase customer protections; how we ensure customers receive the appropriate information at each stage of the sales process; further standardisation of the sales contract; and how the standards, inspections and warranty systems could be improved. The Group is consulting with a range of relevant stakeholders, including Government, warranty providers and lenders as it considers these issues.

LEASEHOLD

The practice of selling leasehold houses became a major focus of attention during the year. Following media reports Parliamentary interest increased such that the Secretary of State committed to addressing the issues. HBF acted as a conduit between industry and Government, attending a number of sessions with officials and members in an attempt to agree a way forward. The issue continues to develop through 2017.

PLANNING

The Housing and Planning Act spent the first part of the year making its way through the Houses of Commons and Lords, finally being granted Royal Assent in May after a series of heated debates in the Upper House particularly. A lot of what was proposed through the Bill were recommendations HBF had made to Government to enable the planning system to be made less bureaucratic, costly and time consuming.

We engaged with government through the various formal consultations that emerged as part of the Bill's progress and provided comprehensive briefing notes for Government that helped them head off some difficult amendments that were proposed by the Lords – notably with regards to SUDS being mandatory on every site and the imposition of zero carbon homes standards. While many of the provisions of the new Act have come into force, most require new Regulations, expected to be published over the course of 2017.

Hot on the heels of the H&P Act was the introduction of the Neighbourhood Planning Bill. Yet again the provisions of the new Bill reflect a number of our suggestions for a more responsive and positive planning process. In particular we welcomed proposals that will give the Secretary of State the power to force Local Authorities to put Local Plans in place and to keep them up to date. Other clauses in the Bill proposed and supported by the HBF seek to reduce the number of conditions placed on permissions, in particular, those conditions that are required to be discharged prior to commencement of development. We hope that the changes will encourage a more collaborative approach towards development management of applications and greater agreement over the use of, and, more importantly, the discharging of conditions.

With regard to other development management initiatives, we supported the changes making permanent the permitted development right to convert offices and other types of existing buildings to residential use. Similarly we supported the Government in its defence of the removal of affordable housing contributions on sites of less than 10 dwellings as a way of encouraging SME developers. Our Planning Director, Andrew Whitaker was invited by the SoS to be part of the independent Community Infrastructure Levy (CIL) review team. This critically examined the use and practice of setting, collecting and spending CIL. The report of the team is now with the SoS.

LOCAL PLANS

We continued to represent the industry at every Local Plan Inquiry and to many emerging local planning policy documents. This involved making 225 Representations and appearing at 40 public inquiries. Details of our work on this can be found on our website.



Responses: 225

73: South East, East of England and London

34: Midlands

18: South West

84: North West, North East and Yorkshire & Humberside



Examinations attended: 40



Resulted in around 60,000 additional homes being added to local plan provision.



*James Stevens,
London and South
East*

REGIONAL PLANNERS' SUMMARY

James Stevens – London and South East:

"In the South East, East of England and London regions the HBF has submitted 73 responses to local plans and statements for examination and participated in 17 examinations. We helped to defend the local plan of the Vale of White Horse against the CPRE and local opposition groups and it provides for 300 more homes a year than that indicated by the household projections. Meanwhile in West Oxfordshire, the authority will now match the level of housing need indicated by the Oxfordshire SHMA - an increase of 135 compared to earlier proposals. West Oxfordshire will also make provision for the unmet needs of Oxford City by providing an additional 2,750 homes.

In Mid Sussex HBF helped to increase the OAN by potentially 225 more homes a year; and in Luton by 75 more homes a year. HBF has also been central to securing the deletion of the new optional technical standards where these are unjustified. In the case of Winchester it secured the removal of an internal space cap. In Canterbury, Ipswich, Luton, Mid Sussex and Adur there is now a lesser requirement for Part M; The HBF has also been successful in ensuring that the new national policy threshold for affordable housing is applied in Suffolk Coastal, Brent, Camden, Haringey, Luton, Adur and Mid Sussex."



*Sue Green,
Midlands and South
West*

Sue Green – Midlands and South West:

"HBF submitted 72 Local Plan consultation and Examination Hearing Statement responses covering 34 Plans in the Midlands and 18 Plans in the South West. We also attended 15 Examinations (7 in the Midlands and 8 in the South West). During 2016 17 Inspector's Final Reports were issued which included housing requirement increases of +4,000 dwellings in Birmingham, +3,800 dwellings in Stratford upon Avon, +2,758 dwellings in the Derby Housing Market Area, +5,200 dwellings in South Worcestershire Housing Market Area, +100 dwellings in North Dorset, +2,100 dwellings in East Devon and + 5,000 dwellings in Cornwall. Other successes include national policy compliant site thresholds for affordable housing provision in all newly adopted Local Plans (despite extreme resistance to comply with national policy by Cornwall Council), the reduction of unviable affordable housing policy provisions in North Northamptonshire and Cornwall and the easing of housing standards policy requirements in Stratford upon Avon, Bromsgrove, Redditch, High Peak and Derby".



*Matthew Good,
North West, North
East and Yorkshire
& Humberside.*

Matthew Good – North West, North East and Yorkshire & Humberside:

"HBF responded to 84 Local Plan consultations and attended 9 Examinations. HBF activities have helped to convince Councils to be more positive, leading to proposed annual increases of housing provision in draft plans in places like Greater Manchester (1,100), Craven (96) and St. Helens (119). We have also had some notable successes at examinations including the removal of unviable policy burdens in Scarborough, Cheshire East, North Lincolnshire and the Yorkshire Dales, and withdrawal of plans in Stockton-on-Tees and Darlington. We continue to play a crucial role as part of the Housing the Powerhouse campaign within Greater Manchester and are actively involved in the Leeds Chamber Housing Forum."

PLANNING

RETIREMENT HOUSING

Our Retirement Home Builders Group undertook work to analyse the factors that are limiting the supply of both specialist retirement housing and the development of a wider market for housing for older people. Surveys of the wider membership have been undertaken to inform this work and we are looking to develop a comprehensive policy platform designed to improve the supply of retirement housing. The Group's initial thinking on policy measures has been reflected in key HBF submissions to Government, including for this year's Autumn Statement and the CIL review. The Group has also met and made submissions to the Law Commission in connection with its review of event fees in retirement housing. We also reached connection agreements with Virgin Media and UTC as alternative options for builders to access superfast services. All of the three offers use varying approaches to hopefully make superfast broadband a more viable and more attractive option for builders, particularly important given the changing demands of home purchasers.

MMC

Interest in looking at innovative production methods, including offsite construction, increased significantly in the light of both the skills constraints facing companies and the Ministerial wish to harness new methods of construction and technology to increase housing supply. HBF worked with members to understand their perspective and plans and to inform government of the issues that needed to be taken into account in any new policy measures they may consider in this field. This included our participation in cross-industry work on innovation in production being undertaken for the Construction Leadership Council.



BUILDING FOR LIFE 12 (BfL12)

The Housing White Paper acknowledges that design and place making are important elements of house building and have indicated they are looking at methodologies to deliver this. BfL12 is mentioned as part of the solution and HBF continues to work with members, Government and Local Authorities to develop the Building for Life concept for urban design.

SMALLER DEVELOPERS

Throughout the year we continued to push for more support for SME builders, both with regards to problems with development finance and the deeply entrenched planning obstacles. Since the 1980s we have seen an 80% fall in SME builder numbers and we have continually stressed to Government that if we are to increase output further smaller builders need to be able to play their part.

Over the summer we undertook a range of research and interviews with some of the small and medium-sized member companies in our membership to inform the analysis and conclusions of the 'Reversing the decline of small builders' report which was very well received by Government officials and advisers. I would like to thank all those members who contributed and HBF board member Neil Fitzsimmons for his help with this work. Indeed, many of the report's recommendations subsequently appeared in one form or another in the Housing White Paper published in February. The potential of SMEs was highlighted in one key finding from our research: returning to the number of SME house builders operational in 2007 could result in an uplift in housing supply of 25,000 homes per year.

To address the issues with development finance we had been working closely with the Homes and Communities Agency (HCA) on the detail of the £3bn Home Builders Fund for some time before it was announced at the Conservative Party Conference. Since its launch we have been working with members and HCA to iron out application and operational issues and now have regular meetings with HCA officials to establish progress and learn of any emerging issues.

STAMP DUTY

In response to member concerns we commissioned some work to understand the market impact of the various recent changes to Stamp Duty legislation. While still early, certainly in the context of the investor surcharge introduced in April 2016, we will continue to monitor the situation and continue discussions with HM Treasury officials and others in Government on the impact of the November 2014 and April 2016 changes.

CUSTOMER SATISFACTION SURVEY (CSS)

Results published in March showed that the fall in the industry score recorded in the previous two years- as output increased at a pace- had stabilised. We believe the Survey is the largest of its kind across any sector or industry and is used widely by members both to benchmark performance and in their marketing.

To ensure it is as fit for purpose as possible 11 years on from launch Ipsos Mori were commissioned to undertake a review on the survey. The report was completed in March this year and we will now consider the recommendations and react accordingly.

BROADBAND PROVISION

Following on from the work we did last year with Openreach to reduce the backlog of sites awaiting broadband connection, we have continued to engage with members and Openreach. Whilst not perfect the situation has improved significantly. In February we launched an agreement with Openreach with regards to superfast broadband provision. This now sees all sites of more than xx units qualify for free superfast broadband connection over and above the standard service. Discussions continued throughout the year to ascertain take-up and performance.

We also reached connection agreements with Virgin Media and UTC as alternative options for builders to access superfast services. All of the three offers use varying approaches to hopefully make superfast broadband a more viable and more attractive option for builders, particularly important given the changing demands of home purchasers.

LONDON

HBF pushed hard for, and worked with officials on the details of, the London Help to Buy scheme which was introduced early in the year. In advance of the Mayoral elections we published a 'blueprint' for the Mayor outlining the steps needed to increase supply. Since Sadiq Khan's election we have worked closely with his housing team as they seek to turn his manifesto commitments into practical policy, including through the new 'tariff' approach to affordable housing. We have also played an active part in the Housing the Powerhouse campaign in Manchester.



Home
Building
Skills
Partnership

SKILLS

We launched the Home Building Skills Partnership in March following our successful application for a £2.7m grant from the Construction Industry Training Board (CITB). Since launch we have established a leadership board of senior industry

figures, recruited four members of staff for the Partnership and brought together and held meetings of the groups pushing the Partnership's three work streams forward – attraction of people to the industry; training; and development of the supply chain. The Partnership has also already undertaken a number of detailed research projects that will inform its work and workstreams are beginning to move forward, including with regards to the proposed so called 'Trailblazers' and 'T' qualifications.

As well as facilitating an increase in industry capacity, the work is also a clear demonstration to Government of our intention to grow and build more homes.

During 2016 the CITB continued to develop proposals for improving its future support offer to employers – including to restructure its Grant Scheme to better meet employer requirements. We took part in extensive informal discussions and consultation with CITB about its thinking and worked with members to ensure home builders' views and wishes were taken into account. We also took part in discussions with CITB about how its future Levy would work alongside the new government Apprenticeship Levy being introduced from spring 2017.

We also launched with CITB a special £1m HBF members' fund for "non-construction" training grants. There has been significant take up, with companies especially using it for sales staff training



Jenny Herdman,
Director of
Home Building
Skills Partnership



Sara Cartin,
Partnership
Manager

NEW HOMES WEEK

May 2016 saw the return of New Homes Week. Through the Marcomms Group HBF coordinated an industry marketing campaign in the spring aimed at highlighting the benefits of new build homes. New Homes Week saw a big increase in visitor levels to member websites and sales portals, including HBF's www.new-homes.co.uk site. During the year Whathouse took over the powering of the site and it is now free for all HBF members to advertise their properties for sale on.

Due to the success of the week last year we will be holding New Homes Week again May 2017.



HBF REPORTS AND HOUSING SUPPLY NUMBERS

Throughout the year we published a number of regular and ad-hoc reports to highlight specific issues. For instance, our quarterly Housing Pipeline detailing the number of planning permission granted enabled us to take informed positions on planning policy. In January we published a report highlighting how many extra jobs were created by the increase in investment by the housebuilding industry. Also as mentioned above we published a detailed report on the issues facing SMEs.

In addition our Ghost Towns report in September made the point that Government's quarterly Housebuilding statistics underestimated actual housing supply by around 30k units, including massive shortfalls in certain parts of the country. We have been at pains to stress to Government that it should be using its own more accurate Net Supply of Housing numbers that show there were 189,650 net additions in 2015/16, of which 163,940 were new build houses and flats, up 38% in the past three years. If we are to have a debate about increasing supply it is imperative we are at least using accurate figures, and that the industry is not lambasted for not building enough on the basis of incorrect 'statistics'. Ghost Towns helped focus attention on the correct data set which is now being used much more widely by politicians, the media and commentators.

Our 'Goodness Spacious Me' report published at Christmas highlighted that not only are we building more homes, but also bigger homes with more bedrooms. Indeed, while total output was higher in 2008/9, the number of houses built last year far outstrips the annual outturn in any year of the last decade. With significant support from member companies, we also published a one-off report alongside our regular Housing Pipeline releases, illustrating some of the preposterous pre-commencement conditions attached to planning consents by local planning authorities. As well as attracting media attention, the information and members' examples was used successfully by ministers during the passage of the Neighbourhood Planning Bill to defend provisions aimed at injecting sense into the way authorities go about imposing conditions on development. This work served as an excellent example of how, through direct member input, HBF can demonstrate the realities behind the headlines and explain how the delivery of new homes can be slowed down at a local level.



TECHNICAL ISSUES

Throughout the year we responded to a number of technical consultations and appeared in front of select committees on various issues. This included the EFRA select committee inquiry on Future Flood Prevention; and the Defra /Ofwat consultation on charging for new water and sewerage connections. Our response on this expressed serious misgivings about the process – that was undertaken very quickly and over the quiet summer period - and outlined how the proposed changes could add several thousand pounds to the cost of a home. We also engaged Government officials and advisors at various levels.

Following the publication of an Ofwat consultation paper in July on water connection charges which, we felt, could have proven extremely costly for developers, we intervened to ensure that Government at all levels were aware of the potential impact on housing delivery. This led to Ofwat announcing in October that they were postponing the implementation of the new charging framework until at least 2018. We have proposed alternative solutions that could further other Government aims of increasing brownfield development and the use of Sustainable Drainage Systems while helping to maintain increases in house building.

HOUSEBUILDER MEDIA

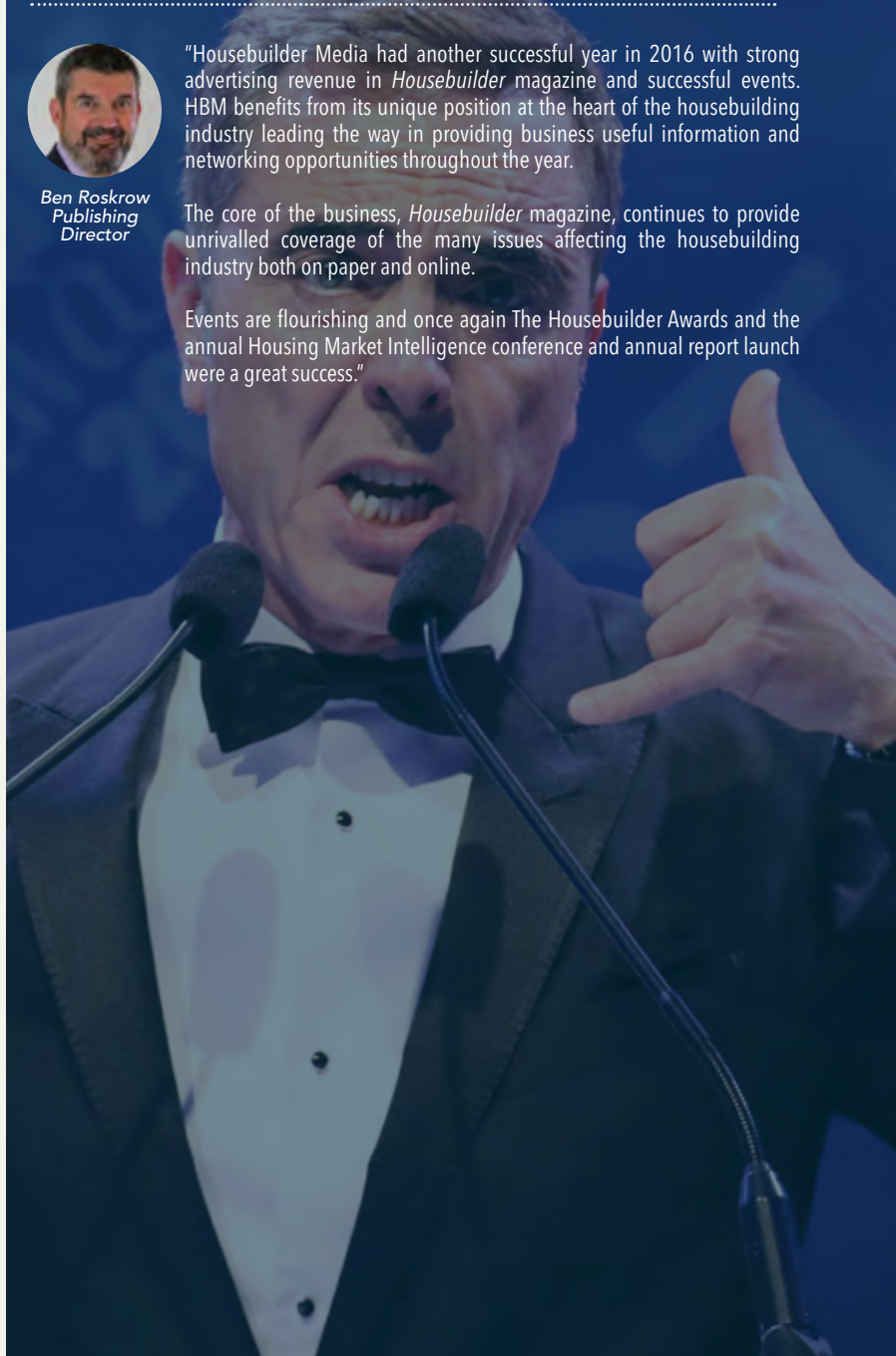


Ben Roskrow
Publishing
Director

"Housebuilder Media had another successful year in 2016 with strong advertising revenue in *Housebuilder* magazine and successful events. HBM benefits from its unique position at the heart of the housebuilding industry leading the way in providing business useful information and networking opportunities throughout the year.

The core of the business, *Housebuilder* magazine, continues to provide unrivalled coverage of the many issues affecting the housebuilding industry both on paper and online.

Events are flourishing and once again The Housebuilder Awards and the annual Housing Market Intelligence conference and annual report launch were a great success."



The election in Wales shifted the balance of power in the National Assembly with Labour losing its majority and having to work with the Lib Dems on key issues.

In the run-up to the election we worked hard to influence all of the main political parties of the need to work with the private sector to build more homes.

Our election manifesto, launched at a house building hustings event in Cardiff, highlighted the concerns of the industry and made detailed recommendations as to what steps politicians need to take to address the shortfall.

HBF's plan included suggestions to:

- Reducing regulation to allow small local house builders to plan for, and build more homes, and encourage larger developers to expand output in Wales
- Review the system of appointing 'preferred housing associations' which reduces the number of homes – both private and affordable – which can be built
- Promote building on brownfield sites via a powerful presumption in favour of development on previously developed land
- Encourage more local authorities to adopt up-to-date Local Development Plans
- Recognise the positive role that planning can play in supporting local economies

We welcomed the appointment of Carl Sargeant as Minister for Regeneration and we have met with him, and Lesley Griffiths who moved back to the planning brief. Both ministers are aware of our position and the concerns our sector has about the ability of the industry to operate in Wales and the increasingly different policy approach taken compared with across the border in England. We used our Housing Pipeline report to demonstrate how the number of new planning permissions remain stubbornly low in Wales, in contrast to in England where they are at a decade long high, to demonstrate how investment is in decline. Evidently this has implications for economic growth and job creation.

Both ministers are keen to continue working with HBF and, to this end, we are now well on with developing a revised 'Housing Pact' that builds on the one signed two years ago. This will give us another opportunity to focus Welsh Government attention on the need to work with the industry if they are to deliver their own housing pledges, particularly with regards to commitments over affordable homes.

We saw some recognition of the need to address the housing crisis with a doubling of the target for new affordable homes to deliver 20,000 affordable homes by 2021. HBF has broadly supported the proposals unveiled alongside the new target as to how it was to be achieved and we accepted a position on the WG steering group to advise ministers on the new Rent to Own product.

The success we had in securing an extension to the Help to Buy scheme will clearly help with supply more generally. We pushed hard for the initial introduction of the scheme in Wales and then for the extension that was announced at the back end of 2015.

The second phase of the scheme has been estimated at being able to support the purchase of 6,000 homes between the start of 2017 and 2021 and this has now been included in the Government's target of 20,000 affordable homes over the same period. Help to Buy continues to be a hugely popular product for builders and buyers in Wales and without it there is no doubt that supply would be reduced.

Throughout the year, HBF was involved in the development of various ongoing Local Development Plans- including in Vale of Glamorgan, Powys, Caerphilly and Swansea - writing to Ministers where necessary to try and ensure the plans were progressed. We also ensured Ministers were aware of growing concerns with regards to the TAN1 Joint Housing Land Availability studies – of which progress was slow throughout the year. More generally on planning we part of the steering group and inputted into the viability study the WG appointed Acardis to undertake and pushed the WG on the issue of planning conditions.

HBF got involved in a range of other issues in Wales including with regards to how requirements with regards to Sustainable Urban Drainage Systems could be introduced; in a review of Building Regulations; and on CIL, where we have pushed on a national level but also on a local level to ensure rates are realistic.

This year saw the start of WG delivering a new strategic Plan for Wales known as the National Development Framework which will take at least four years to adopt. This will look at issues and projects of national significance, HBF submitted comments to the first consultation including the need for the document to introduce the ability for 'new settlements' to be considered in Wales something which current Policy in Wales does not allow for.

WALLES



Mark Harris,
Planning and
Policy Advisor -
Wales





The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from national, household names through regionally based businesses to small local companies.

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