



2018

ANNUAL REPORT

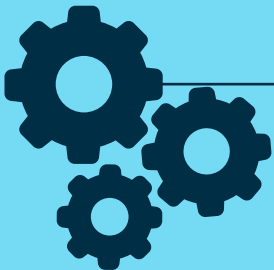


EXECUTIVE CHAIRMAN'S FOREWORD



Stewart Baseley,
Executive Chairman

“ HBF Customer Satisfaction Survey showed that the huge focus within individual companies on quality and service is delivering improvements. ”



Inevitably historians will report that Brexit dominated the political agenda throughout 2018. However, the focus on housing issues remained intense and continued to feature at the very top of the domestic priority list. In political and legislative terms, little of substance seemed to change in 2018 but I suspect in a few years from now we will recognise that 2018 did mark a significant turning point in changing attitudes and priorities.

External pressures, including from Government, are driving behaviours within the industry and it is clear that in the years ahead change will continue to gather pace. Whilst there is always caution and a level of risk to change, it feels, on the whole, very positive.

Although Government remains committed to its 300,000 new homes per year target there was a gradual shift away from the narrative that it is only about numbers and ministerial rhetoric on design, quality and consumer support ratcheted up. Across the industry there was a greater focus on build quality than I have ever witnessed with companies working extremely hard to improve their product and customer service.

The Government announced that a new Help to Buy scheme would replace the current iteration but signalled very clearly that the scheme will then end. The industry, of course, has always accepted the scheme cannot remain in place forever, and we are already planning for the future with discussions underway about alternatives not involving Government post-2023 when the forthcoming scheme is set to expire; we are also working with members on other models, including PRS to address affordability issues many face in different parts of the country. The MMC agenda and the drive to de-skill the building process grows, influenced in no small part by the focus on quality and also the issues we have with skills. As we have always known it would, Government turned its attention back to delivering long term carbon savings and the new homes zero carbon agenda re-emerged.

We are currently working on how HBF can best support companies in their understanding of all these challenges, and at the same time consider how the changing industry can better position itself more generally.

Throughout 2018 negative stories about the industry continued to dominate the headlines and tarnish the industry's image. As we move forward, refocus and implement new initiatives, we need to use evidence of change to demonstrate externally the progress being made.

Ensuring we deliver homes that are finished on time and meet customers' expectations is critical. Despite the criticism, the HBF Customer Satisfaction Survey showed that the huge focus within individual companies on quality and service is delivering improvements. However, we need to go further. That is why we worked throughout the year with a range of stakeholders to develop proposals for a new industry code and on how a New Homes Ombudsman could be introduced. I believe this would deliver significant improvements in build quality and customer service alongside improved consumer redress. We continue to work with Government officials on this, but I very much hope that a voluntary Ombudsman service can be formally launched within the next year. Doing so would be seen as a real statement of intent by the industry, helping to address the biggest area of criticism we face and providing greater confidence in our product.

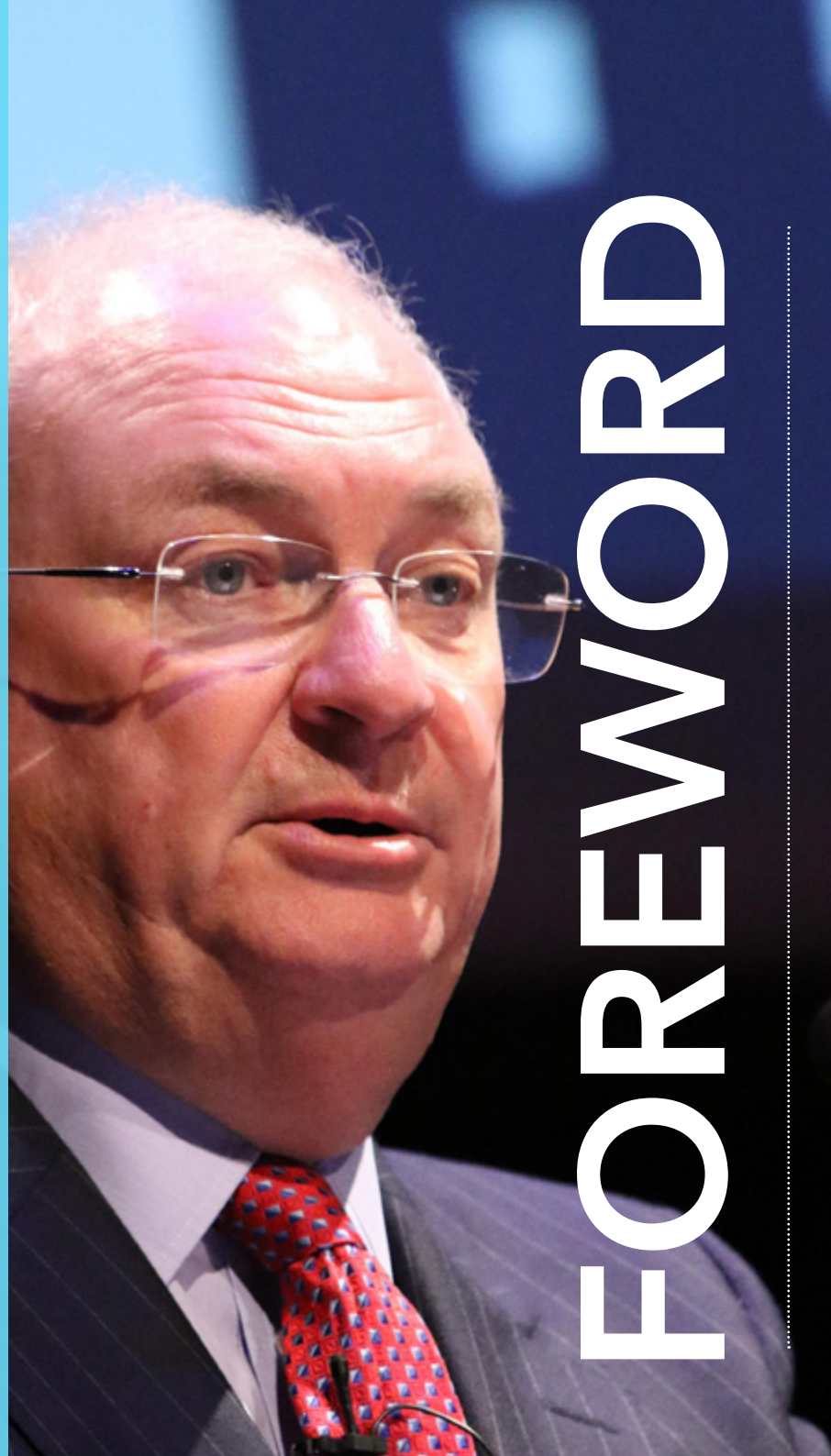
Planning remained high on the agenda. We were generally pleased with the revised NPPF that emerged and that we had worked hard to influence. The planning system however, remains a huge challenge for many companies, in particular SMEs, and we continue to push for further improvements. We also increased our engagement with the fledgling Metro Mayors, recognising their desire to influence housing policy.

Grenfell remained a major focus for Ministers and we have been heavily engaged with Government on the cladding issue in particular; more generally we have revamped our offering on technical matters recognising the complexity of many of the issues involved; leasehold ran as an agenda item throughout the year and we continue to work with government and other stakeholders to find solutions that are pragmatic.

Skills remains a major challenge for all companies and the work of our Home Building Skills Partnership grows in importance. The year saw the Partnership focus on attracting new recruits to our industry and developing appropriate training to increase the skills and effectiveness of our workforce. We have also taken a greater role in helping the industry to share best practice and improve the diversity of our workforce. Our Diversity & Inclusion Group has got off to a good start with great involvement from members reflecting the importance and interest of this topic across the industry. Housebuilding generally trails the wider economy on workforce diversity and much needs to be done to address the imbalance in this area. In this regard, we are also exploring with members how we can collectively foster a supportive environment for employees. This has seen us link up with construction charity Lighthouse Club to develop a campaign to raise awareness of the mental health issues which plague our industry. If you aren't already, I would urge you to get involved.

Combined, all these issues contributed to making it a challenging year in every respect for HBF and the wider industry. As always, I owe a huge debt of gratitude to our members without whose support and engagement we would not be as effective; to our board of directors for their wise counsel and to all our staff for their dedication and hard work. Through the year we have grown and adapted the HBF team as we ourselves increase our diversity and expand our outlook to meet the ever-changing demands. To supplement this, I was very pleased to be able to announce just a few weeks ago that Neil Jefferson will be joining us from NHBC as managing director, probably in early 2020. I firmly believe we are now in a very strong position to be able to represent members even more effectively moving forward.

On a very sad note, September brought news of the death of John Stewart our former economics director at the age of 69, succumbing to cancer after a long and brave battle. John was a huge figure at HBF and was rightly praised for his work and reputation. We were all touched by the countless notes of condolence we received in the days and weeks after his death. We will all miss him greatly but continue to recall with great fondness his passion for the industry and peerless dedication to his work.



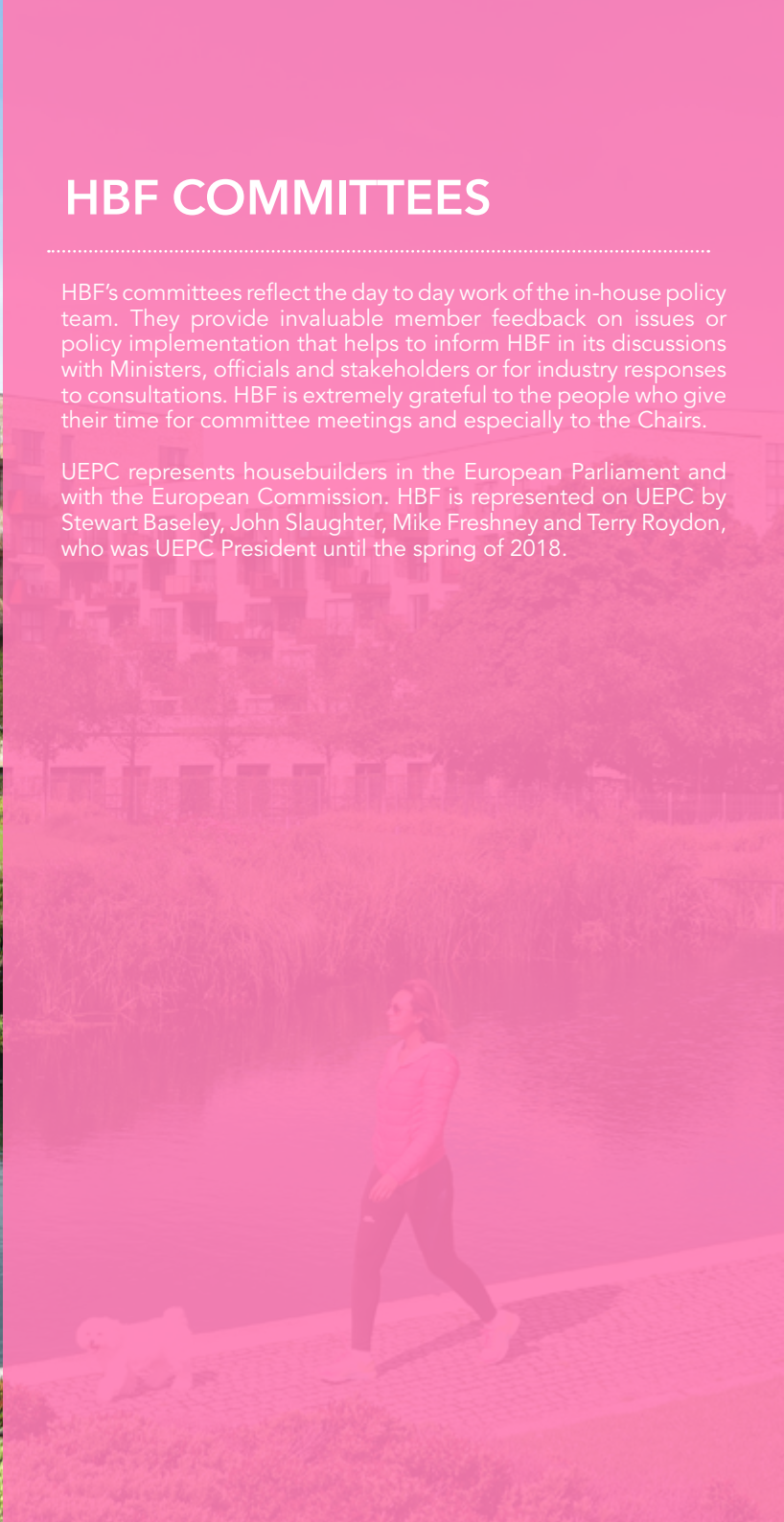
FOREWORD



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.

UEPC represents housebuilders in the European Parliament and with the European Commission. HBF is represented on UEPC by Stewart Baseley, John Slaughter, Mike Freshney and Terry Roydon, who was UEPC President until the spring of 2018.



MEET THE TEAM

There were a number of changes to the HBF team as we continued to grow to ensure that we were well placed to tackle the increasing range of challenges the industry now faces. Mark Thackstone replaced Mike Powell as finance director, following Mike's retirement after 8 years at HBF.

Emma Thomas replaced Victoria Brauer as policy and public affairs adviser and Jamie Allan joined the public affairs team as an assistant; whilst Claire Coward started with us as communications and campaigns officer. Anita Solanki came in as technical graduate to beef up our technical team.

In March this year, technical director Craig Ferrans announced he was leaving to take up a position back in the industry. He has been replaced by Kieran Walker. We have also recently employed Rachel Myers as our new membership manager.

With Rachel on board, through 2019 we will be reviewing all our member engagement processes to ensure we are delivering the best possible service we can. We are also introducing a new CRM system that will further enhance our ability to communicate with members.

Stewart Baseley, executive chairman
Peter Andrew MBE, deputy chairman

Jamie Allan, policy & public affairs assistant
Mark Behrendt, planning manager (London & Southern)
Sara Cartin, manager, Skills Partnership
Claire Coward, campaign & communications officer
Sue Green, planning manager (Midlands & South West)
Joanne Harding, planning manager (North East/West & Yorkshire)
Mark Harris, planning & policy advisor for Wales
Jenny Herdman, director, Skills Partnership
Tracey Hill, project & contract manager, Skills Partnership
Razia Iqbal, senior bookkeeper
Hannah Lifshack, partnership coordinator, Skills Partnership
Marian Macdonald, office manager & pa
Rachel Myers, membership manager
David O'Leary, policy director
Emeline Serex, policy team secretary & admin assistant
John Slaughter, director of external affairs
Anita Solanki, technical graduate
James Stevens, director for cities
Lynda Tahri, head of communications, Skills Partnership
Mark Thackstone, finance director
Emma Thomas, policy & public affairs adviser
Steve Turner, communications director
Kieran Walker, technical director
Andrew Whitaker, planning director
Catherine Wilson, it & digital manager



2018

JOHN STEWART 1949-2018

OUR YEAR 2018

POLITICAL ENGAGEMENT

We held meetings with the Ministerial team at MHCLG that, as ever seems to be the case with housing, saw a total change of personnel during the year. We started 2018 with Sajid Javid and Alok Sharma as Secretary of State and Housing Minister respectively; then in February Sharma was replaced after only six months in post by Dominic Raab; Sajid was promoted to Home Secretary in April and replaced by James Brokenshire and then, also after six months in position, Raab was replaced by Kit Malthouse. We have met with both James Brokenshire and Kit Malthouse on several occasions and are working very constructively with them on a range of issues. We continued to engage with numerous officials from a range of Government departments to ensure our perspective was considered as decisions were being made; and attended the main political party conferences at which we held a number of events.

We welcomed the release of figures in the autumn showing a further increase in the number of homes being built. We have ensured in all our communications with various audiences that they are aware of the huge progress being made, and we were particularly pleased to hear the Prime Minister reference recognition of this on a number of occasions. If you think back, it was only two years ago that many were scoffing at the achievability of the 'one million homes in the parliament target' that Government set, which we are now well on the way to exceeding. Since then of course, Government has introduced a new target of 300,000 homes each year by the mid-2020s that will be much more of a challenge.

We continued to increase our political engagement across the board, targeting specific MPs who have been raising issues such as build quality, to ensure they are aware of our position and the progress being made; and are proactively contacting MPs on relevant committees focused on assistance for SMEs for example.



HELP TO BUY

The future of the Help to Buy scheme beyond 2021 remained up in the air for most of the year. During that time, we pressed Government for certainty over its future to enable companies to plan properly for the future.

We held numerous meetings with officials and advisors at MHCLG, Number 10 and HM Treasury at which we provided evidence of its impact; wrote to every MP detailing the number of sales through the scheme in their constituency and the knock-on benefits in terms of jobs created and contributions towards infrastructure and amenities; and tried to provide some balance in the seemingly endless media reports criticising the scheme.

In September we published a report on the scheme that set out the impact it has had and how it has delivered against all three of its pre-set objectives in terms of helping people onto the property ladder, leading to increased housing supply and generating economic activity, that we sent to a wide range of influencers and commentators.

Our primary objective was to avoid a cliff edge and hence we were pleased with the announcement in the Budget of a two-year extension until 2023. Whilst the extension merely moves the cliff edge back, it does give the industry more time to plan.

Since the announcement about the extension, we have been working to assess the impact the proposed changes to the scheme will have. Whilst the restriction to first-time buyers only will have an obvious impact, we are also working hard to understand how the regional price caps will affect the scheme and its usage, taking into account changes to investment plans that builders may be considering.

A major priority in the short-term is our work with MHCLG and Homes England on the transition arrangements between the current scheme and its successor, as well as the conditions and detail to be included in the new developer contract. As this will be an entirely separate scheme, it will require a new contract and early indications suggest that ministers will seek to make the 2021-23 scheme more contingent on certain developer requirements.

We have also commenced work on possible a replacement

scheme to provide assistance to buyers who need it once help to buy ends in 2023. We are meeting a number of parties to explore and understand what alternatives might work, preferably without needing government support.

LEASEHOLD

The debate on leasehold reform continued through 2018. We have worked hard to ensure that what emerges from the process is sensible and based on a factual assessment of the use of leasehold as a form of home ownership, as opposed to the hyperbole with which this issue has been reported. As we have pointed out, over four million people live in leasehold properties and government needs to ensure that it does not toxify the entire tenure as they try to develop changes to eradicate onerous terms which we believe are largely historic in nature.

We have responded to all the various Government consultations and our primary concern remains with the Government's determination to impose a maximum ground rent charge of £10 and the impact that will have on the ownership and long-term stewardship of apartment buildings.

As things stand, alternatives to leasehold, such as commonhold, are still not entirely workable and so sensible solutions are required and proper thought necessary before a wholesale overhaul of the leasehold system is undertaken. In preparation for what may emerge from the process, we will be taking these discussions forward with members and relevant stakeholders in the coming months.

Official statistics show that the proportion of new houses sold with leases is already back down to long-term historic low levels and lenders report that the terms of new leases originated on flats are proportionate and fair. Most recently, following a roundtable meeting with the Secretary of State for Housing, HBF helped Government to coordinate the development of a 'pledge' signed by over 30 member companies as well as freeholders, solicitors and others. It commits builders to upholding standards around the transparency and proportionality of new leases and supporting previous customers who may have run into difficulties relating to the terms of their leases.

OMBUDSMAN AND QUALITY

A major focus for us this year was on how a new homes ombudsman can be introduced. Government is committed to overseeing the introduction of an ombudsman and they followed the initial announcement by Sajid Javid last year with a commitment at the Conservative party conference to require all builders to sign up to an 'approved redress body'. Throughout the year we have engaged with a wide range of Government officials, members, stakeholders, existing ombudsman bodies and organisations with relevant expertise to understand how we could help provide a 'voluntary' solution for Government.

We submitted a comprehensive list of suggestions to the Government consultation into this issue in Spring and also gave evidence to the APPG Inquiry.

In particular, we have worked closely with code bodies, warranty providers and lenders to develop a unified consumer code document and a set of mandatory warranty standards. Together with a set of clauses we developed with the help of members to fill any 'gaps' in consumer protections in years one and two of occupation, we proposed that these will form the basis of a new 'industry code'.

We believe that the new code, that puts strict requirements on all parties involved in the construction, inspection, sign off and sale of new homes, will help to deliver considerable increases in both build quality and customer service, as well as consumer redress. It will of course continue to evolve and thus we anticipate that it will further enhance standards over time.

We have also been working with various parties on how a new independent 'code body' could be created, that would oversee the introduction, implementation and future development of the code, and that would appoint an ombudsman to provide an adjudication service. This will continue to be a major piece of work for us through 2019.

In addition to the ombudsman work, the group we set up to consider all the recommendations made in the first APPG report into build quality and customer redress in 2016 also pushed on with a number of other workstreams. These included developing a standard sales contract; and the creation of a guidance document for builders on what to provide in a customer information pack.

CUSTOMER SATISFACTION SURVEY

In March, we published our latest customer satisfaction survey results and star ratings. After several years that saw scores fall, we welcomed a reversal in that trend and a 2% improvement in the overall industry rating for the key 'would you recommend your builder to a friend?' question, up from 84% to 86%. This reflects all the hard work that has gone right across the industry to address the falls and gave us some powerful evidence to use as we responded to the criticism we saw levelled at the industry from politicians and in the media.

We also implemented the changes that resulted from the review of the survey we undertook with Ipsos Mori last year, another workstream that came out of the APPG Quality steering group. The revised questions and

formatted forms are now being sent to customers.

We have also been working hard to understand how we make the survey more relevant and how we can provide more up to date scores for members to use. As a result, from June 2019 we are intending to start publishing quarterly rolling year percentage scores for participants to use in their marketing and communications.

GRENFELL

The fallout from the tragedy at Grenfell tower continued to dominate the housing agenda through the year. In the early months as the anniversary approached, ministers focus on Grenfell related issues was almost total.

The Hackitt review published in January was, we felt, relatively balanced, though it inevitably attracted some criticism. Through the year we engaged with ministers and officials on a range of resultant issues including proposed changes to the building regulations and responded to several related consultations. We are now waiting for the Government to move the Hackitt recommendations forward, which should be later in 2019.

One particular area of focus was with regard to how the issue of who paid for the removal of the cladding that was deemed unsafe. We led discussions with Government on a proposal for a fund to remediate buildings but, due to the quantum of funds required and technical challenges surrounding how

“After several years that saw scores fall, we welcomed a reversal in that trend and a 2% improvement in the overall industry rating....”

a fund would be collected, coupled with the actions taken to rectify issues on affected sites by a number of HBF members, the work was curtailed. The efforts undoubtedly however helped engender some good will with Government. Subsequent to that discussions continued with ministers to consider how we approached the 'rump' of buildings for which no owner or developer could be identified. These are ongoing, but we have made clear that Government should not expect a significant contribution from members for buildings with which they had no involvement.

Discussions are also ongoing with regards to fire doors following testing over the Summer by MHCLG.

SMEs

Through the year we worked with Government and Homes England on measures to assist SME members. We continue to ensure that policymakers are cognisant that while headline housing supply figures continued to rise and the media reporting of large house builder profitability verged on hysterical, the experience for small developers remains difficult in places, beset by delays, frustrations and uncertainty. One avenue for achieving this increased visibility is via a newly formed APPG on SME Housebuilders with whom we held several meetings. We will, where possible, support the Group's work to boost knowledge of this important, often unreported part of our industry.

Our work has included a proposal for a guarantee scheme for development finance. The Chancellor did announce a £1bn guarantee in the Budget, but this was more an expansion of the British Business Bank's existing scheme as opposed to something new to tackle the terms and recyclability of the finance on offer. We continue to push for further assistance and have a commitment from Government that they will continue to work on an alternative more along the lines as we originally proposed. We will be taking these conversations forward with HM Treasury officials in the months ahead.

We held our second Development Finance Seminar in the autumn at which members heard from seven different lenders. We propose to hold another event of this type in 2019.



PLANNING

The consultation into the NPPF published in the early part of the year contained much of what was in the previous year's Housing White Paper. The latter had, of course, contained many suggestions that had originated from HBF and we were pleased to see them through to the final policy document. Not least of these was the recognition that local authorities should plan for a choice of size type, size and location in order to widen market choice for both housebuilders and customers.

Inevitably however, whilst positive overall, both the consultation and the new NPPF that was published in July, contained a number of challenges for the industry. Two of our main concerns were the effect of the standard methodology for calculating housing need having a disproportionate negative effect in northern areas of the country; and the new approach towards viability assessment and

an expectation of policy compliance based on establishing benchmark land values of "existing use plus". Since the publication of the revised NPPF in July we continued to meet with officials and stakeholders regarding implementation of the new policy. Thus, just a few months after it was issued, we saw a further consultation on immediate changes to planning policy. Crucially within this was the proposal to ignore the latest household projections due to their inconsistency with the Government's own aspiration to increase housing delivery to 300,000 dwellings per annum. This was implemented in February 2019 and, although it doesn't directly address the north/south divide in the distribution of housing numbers it means that the standard methodology for the whole of England remains closer to 300,000 than the 2016 based dataset.

The February 2019 NPPF also addressed a number of technical issues regarding the deliverability of small sites being assumed

“Overall, government continues to be positive about ensuring policy helps, rather than hinders delivery of housing.”

rather than needing to be supported by evidence (although this is still a requirement on major developments of over 10 units). It also reflected the European Court decision regarding People over Wind, a technical detail regarding the application of the presumption in favour of sustainable development when an appropriate assessment has been undertaken.

Overall, government continues to be positive about ensuring policy helps, rather than hinders delivery of housing. Many of the policy changes in the new NPPF are very much geared to ensure that local planning authorities meet their housing needs and do as much as they can to ensure delivery.

LETWIN

We also engaged with the Letwin Review of build out rates that had been announced by the Treasury in late 2017. Along with HBF members, we met Sir Oliver and his team on a number of occasions and provided a stream of statistical evidence to support our position. His affirmation that house builders do not land bank was welcome although, of course, to all of us, unsurprising.

It is worth noting that Letwin's final report conclusions, published alongside the Budget in October, are only focussed on sites of over 1,500 units in areas of high market demand and his recommendation with regards to diversification of tenure are, to some extent, already being implemented. However, we were troubled by his focus on limiting land prices to no more than 10 times existing value, fearing such an approach could affect supply, and the potential for local authorities to try use this as a proxy to establish land value for all sites in their viability assessments.

The Government's response to the Review was published alongside the Spring statement in March 2019. This related most of the recommendations back to the policy changes in the NPPF and set out a commitment to keep the issues "under review" and a promise of a further consultation on housing diversification.

LOCAL PLANS WORK

We continued to engage with local planning authorities across

the Country through local plans and other emerging policy. The local plans managers around the country (Joanne Harding, Sue Green, Mark Behrendt) liaised with HBF members in order to ensure that submissions on emerging and formally submitted plans represent local interests and expectations. Between them they attended close to 50 local plan inquiries, and with a similar number of responses made to formal plan submissions and comments on a further 57 draft plans, we are expecting them to have a very busy year in 2019.

The London Plan is also at public inquiry early in 2019 and James Stevens, HBF director for cities is heavily involved in ensuring the plan's policies facilitate rather than frustrate development across the Capital.

DEVOLUTION AND THE COMBINED AUTHORITIES

James Stevens is also focused on the new Metro Mayors and combined authorities who now play a central role over housing, planning and skills policy in their areas. This is a growing agenda with a range of challenges. I hope our Chairman's Updates through the year have kept you updated on progress but please contact James. stevens@hbf.co.uk if you need any more information.

Over the course of the year we have held meetings with Mayors, Deputy Mayors and officials in each of the Combined Authority areas, including Greater Manchester, the West Midlands, Liverpool City Region, Tees Valley, the West of England and Cambridgeshire and Peterborough. Our aim has been to understand better the housing priorities facing each of these areas and to promote the role of the house building sector in helping the newly elected Mayors meet their objectives.

PLANNING

TECHNICAL

We increased the capacity of our technical team during the year and are in the process of revising how we address the numerous issues in this space. We have set up several new working groups to address specific issues and focus on the growing range of challenges we face.

The regular technical newsletter that we are now publishing contains details of the work on which we have been focussed and is available on our web site.

The technical issues on which the industry is engaged are numerous. Water charging, road adoptions, utilities, broadband provision, health and safety, tall buildings, BIM, MMC plus a range of proposed changes to the Building Regulations are just some of the issues with which we are working with members on.

All of the dedicated subgroups provide the platform to create industry guidance and best practice for each specific area of our sector, which has seen the creation of both a highways and broadband training manual, with more guidance to follow on electric vehicle charging and agreed codes of practice for non-adopted roads to name just two. Moreover, we have been able to support and respond to key government consultations through these forums ensuring that we truly provide the voice of the industry.

RETIREMENT HOUSING

We worked hard throughout the year with members of the Retirement Home Builders Group to tackle the concerns raised for them by the Government's leasehold reform proposals.

The Government's proposal to limit ground rents for future leasehold apartment developments to £10 per annum would have impacted significantly on the investment finance model for specialist retirement projects where sales of capitalised ground rent income play an important part in funding such developments' extensive communal facilities.

With members we developed an evidence base to explain the problem and articulated this concern to ministers and officials, highlighting the risk it posed to a much-needed increase in the supply of retirement housing.

The Government's technical consultation on leasehold reform in the autumn recognised the issue in including a proposal to exempt specialist retirement housing from the general ground rent policy and our hope is that this will be confirmed when the results of the consultation are announced.

Separately, we also worked on planning policy and guidance issues that affect the business climate for the provision of retirement housing. We hope that the Government's new planning guidance on housing for older people and those with disabilities will shortly be published and provide a basis to help ensure that local authorities plan positively for the requirements in this area of the housing market.

We are also working with members on ways to increase political buy in to the adoption of further measures to improve the supply of retirement housing of all types and to encourage more developers to enter this market.

SKILLS – THE HOME BUILDING SKILLS PARTNERSHIP

The Skills Partnership continued to grow and is now increasingly driving and coordinating industry thinking. Following the launch of the Skills Pledge, around 80 companies pledged their support in making a difference on recruitment, training and retaining the right workforce for the sector with further plans on achieving long-term positive change at all levels of the industry progressing.

In the Spring, the Skills Partnership launched a three month 'attract' campaign to raise awareness of the career opportunities available in-house building. Working with house builders to create over 140 online banners, the campaign was seen by over 10 million users and average monthly traffic on the house building careers website increased by 747%. The Skills Partnership will continue to build upon the campaign's success with video and social media promotions in 2019.

The home building 'ambassadors' programme, that recruits and trains people from within the industry to actively promote careers in house building to young people continued to grow. During 2018 the programme 'trained' over 75 ambassadors across a range of home builders in the UK. It has just announced new training dates for 2019, so get your team involved by visiting www.hbf.co.uk/ambassadortraining.

A major piece of work through the year was the development of the Skills Frameworks. Based on 12 key roles facing challenges in the house building sector these frameworks provide a list of key competencies and training modules needed to complete key roles as well as recommended courses and CITB grant availability. They will ensure employees are trained to a standard, improve efficiency and help to retain a quality focussed workforce. These frameworks have been designed by the sector for the sector and will continue to be rolled out in 2019.

The Skills Partnership also worked with Hamilton Deed and NHBC to create funded training modules for house builders and supply chain organisations. The modules focused on improving standards and build quality for sales advisor and assistant/site manager roles and allow employers to develop their workforce at no cost. In early 2019, these training modules were extended to include 320 Brickwork Masterclasses that deliver practical guidance on the most common issues found by inspection and claims teams.

In November the Skills Partnership held its first conference in Birmingham, that was attended by house builders, contractors and CITB. Evaluation following the event found that going forward attendees would like the Skills Partnership to focus more on mental health, the gender pay gap and for contractors to be more involved in future events. Attendees also agreed that attracting new entrants to the sector was still high on their agendas.

SKILLS - GENERAL ISSUES

More generally on skills, we engaged with the Department for Education and the CITB on the design and implementation of the new £22 million Construction Skills Fund to provide support for a network of site-based training hubs. We sought to ensure that the criteria for this funding competition focused as far as possible on outcomes our members would find helpful in meeting their skills requirements. We are now seeking to work with CITB to shape plans for a further set of site-based hubs in parts of the country not so far reached.

More widely, CITB has been continuing to implement a change programme following the commitments it made in last year's consultation on the renewal of the CITB Levy. We are monitoring the progress of the change programme closely and liaising with CITB on any points of concern arising on behalf of members. Some of their systems changes are significant and it is key that we ensure your views as users are fully understood and represented. An underlying issue remains CITB's cultural approach to consulting trade associations and employers about proposed changes. We would like to see industry and trade bodies brought in to the design process for new measures and reforms at an earlier stage of the process than currently tends to be the case. We will continue to work towards this goal during 2019 and keep you informed of developments.

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MENTAL HEALTH AWARENESS

The statistics in relation to mental health amongst construction workers are stark and concerning, and it is something HBF is determined to help the industry address. We created a new group to raise awareness and pull together and coordinate some of the great work in this area already going on within the industry.

Activity group members are already working with CITB and MHFA England by providing training to employees to become mental health first aiders.

In March 2019, together with the Lighthouse Club charity we launched a mental health campaign. A large number of members are now signed up to the 'Building Mental Health Charter' and are actively engaging with their workforce on this agenda.

DIVERSITY

Improving the diversity and inclusiveness of the industry is a key challenge for house building, not least as we look to tackle the skills shortage with which we are faced. To help understand how we address this challenge we set up a new member group to consider the issues and a number of workstreams are already underway. This will be a major focus throughout 2019.



NEW HOMES WEEK

In May we held our annual campaign aimed at promoting the benefits of new homes. The predominantly social media focussed campaign harnessed the efforts of members to develop some real traction in terms of positive messaging. We will be running a similar event between 13-17 May 2019 so please do get involved.

A white line-art illustration of a construction crane hook is positioned at the top of the page. A rectangular box is suspended from the hook by a chain. The box contains the text '400,000 working days are lost annually due to stress, anxiety and depression.'

400,000
working days are lost
annually due to stress,
anxiety and depression.

LET'S DRAW THE LINE ON
**MENTAL
HEALTH**
IN THE HOME BUILDING INDUSTRY



Infographic from the 'Economic Footprint of House Building in England and Wales' report.

Investment

£12bn
invested in land and buildings for homes

£11.7bn
spent on suppliers
(90% stays in the UK)

Jobs and Growth

£38bn
of Economic Output
generated by house building
each year

Nearly 698,000 jobs
239,000 directly employed in the industry (18% of the construction industry)

3.1 jobs for every home built
4,300 Apprentices,
525 graduates and
2,900 other trainees
supported each year,
excluding those in
contractors and suppliers

Resources for Public Services

£2.7bn
of tax paid
Stamp Duty Land Tax, Corporation Tax,
NI, PAYE, and Residents' Council Tax

£4.2bn of new
"Affordable Housing"
20% of all new homes
built in England and
Wales are "Affordable"

£841m
for infrastructure
including £122m on new
and improved schools

Stronger Local Communities and Environment



£5.9bn spent in local shops and services by residents of new homes
A further £1.2bn is spent to make these houses "feel like home"



£45m invested in open space, community, sport and leisure facilities

England and Wales should increase annual supply of homes by around 81,600. Achieving this would mean:

£411m more net capital expenditure	£14.2bn increase in economic output	260,800 extra jobs	£1.1bn more tax paid	£384m extra investment in local infrastructure	£2.7bn additional resident spending on goods and services
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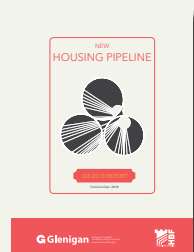
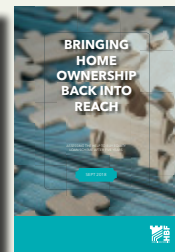
These extra benefits would be additional to the economic footprint of the current annual supply of 224,000 new homes.

REPORTS

Throughout the year we published a series of reports on various issues.

In July we published our Economic Footprint of UK House Building report, that we commissioned Litchfields to produce. This built on the report we initially produced in 2015 and contained details of the associated benefits that developments provide in terms of contributions to UKPLC in taxation, jobs, infrastructure and amenity improvements. We sent the report to a wide range of stakeholders and the statistics are of great assistance as we look to promote the benefits of increased housing supply. Since the start of 2019 we have been producing regional reports using the various multipliers to promote these messages with Local Authorities, constituency MPs, and in the local media. So far, we have published four – West of England, Greater Manchester, North of Tyne and Greater London.

Our quarterly Housing Pipeline reports, produced in conjunction with Glenigan, provide a barometer as to industry intent. Throughout the year the moving annual total of planning permissions granted was above 350,000, the highest since we started the reporting series in 2006. This provided us with strong evidence to demonstrate the industry's commitment to delivering further increases in supply.



G Glenigan

In December Wales elected a new First Minister, Mark Drakeford (Labour), replacing Carwyn Jones (Labour) who had held the position since 2009. During this time there were calls for a single Cabinet Secretary for Housing, Planning and Building Control. HBF wrote to the Welsh Assembly to support this and to ask in the event of a reshuffle that this would be taken into consideration. Drakeford's manifesto spoke about the need for appointing someone in the role of Cabinet Secretary of Housing, along with a number of other local housing issues. In December Julie James was appointed the Minister for Housing and Local Government, with Hannah Blythyn as her deputy, their roles include planning, building control and housing. We held meetings with the new Ministers to ensure industry views were understood.

In Summer, Welsh Government (WG) changes to planning application requirements in terms of the weight they give to the need to increase supply (via the Technical Advice Note (TAN1) caused considerable concern for industry and we raised strong arguments and monitored the impacts closely. We contributed to a subsequent call for evidence - Delivery of housing through the planning system, the results of which are expected late 2019.

HBF sat on a number of WG steering groups during 2018 including, Leasehold Reform, Vacant Land Tax, Unadopted Roads, Affordable Homes Review, and Innovative Housing Fund, a number of which are due to issue reports in 2019. We responded to a number of consultations during 2018 including, a revised Development Plan Manual, the National Development Framework (NDF) [issues and options], Planning Policy Wales V.10 (published December 18).

Sustainable Urban Drainage Systems (SuDS) came into force on the 7th January 2019, with a one-year transition period for reserved matters to be approved. HBF sits on the WG implementation group and will monitor its impact on members feeding into a planned two-year review.

The end of January saw the publication of a report on the 2018-based estimates of overall additional housing need in Wales from 2018/19 to 2037/38. These identify the need for between 6,700 and 9,700 per year, the central estimate of 8,300 is still higher than the number of homes built in Wales which has averaged over the last four years only 6,641.



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*Ben Roskrow
Publishing
Director*

HBM'S TEAM

- Ben Roskrow, publishing director
- Helen Board, business manager
- Rob Houghton, Southern sales manager
- Kellie Kent, events manager
- Suzie Mayes, reporter
- Tim Mullin, Northern sales manager
- Lisa Sweeney, events and publishing assistant

HOUSEBUILDER MEDIA

Housebuilder Media had an excellent 2018 with advertising revenue strong in Housebuilder magazine and another year of 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. The housebuilder.co.uk website provides up to date industry news, features and events details.

HBM's events were well attended and well supported in 2018, with The Housebuilder Awards and the annual Housing Market Intelligence conference and annual report launch leading the way.





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 multi-national, household names through regionally based businesses to small local companies.

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