

2021

ANNUAL REPORT



EXECUTIVE CHAIRMAN'S FOREWORD

Writing this annual review for 2021 has reminded me just how busy and unpredictable the year was due to both the developments of the Covid-19 pandemic and the huge range of new policies and requirements that have been announced.

The progress of the vaccination programme allowed a return to near normality over the course of the year. However, the early days of 2022 have seen Russia invade Ukraine leading to a terrible humanitarian tragedy with potentially damaging economic consequences for our economy.

Returning to 2021, and fortunately, as a result of the hard work we and others put in during the first lockdown back in March 2020 the housing market was able to continue trading during subsequent lockdowns. Despite the impact of the pandemic demand for both new and secondhand homes remained robust helped in part by the stamp duty holiday.

Supply chain and labour problems that emerged partly as a result of the impact of Brexit and Covid were a challenge for members throughout the year and as such have been high on our list of priorities when communicating with Government over the last year. It is hoped that these issues will resolve themselves in the medium term, but we will continue to monitor members experiences and raise this with the relevant ministers and officials in the meantime.

Aside from the issues associated with coronavirus and Brexit, many other topics relevant to the industry continued to dominate the political agenda.

HBF has continued to engage positively with the Government to address the issues arising from the Grenfell Tower fire. HBF responded on the consultations for the Residential Property Developer Tax and the Building Safety Levy, and the shaping of the Building Safety Bill. Early in 2022, the Government announced its intention to go further, requiring developers to rectify issues going back 30 years without recourse to the Building Safety Fund and propose a fully funded solution for all buildings between 11 and 18 metres in height that require remediation. HBF agrees with the principle that leaseholders should not pay for remediation work and we coordinated a response on behalf of our members that led to the creation of a pledge letter and agreement committing developers to self-remediation and to

refund Building Safety Fund and ACM Fund awards for buildings they played a role in developing. However, we believe that others need step up to contribute to the costs of remediation of buildings between 11-18m not covered by the pledge letter and agreement because the original developer is no longer trading, is a foreign company or single purpose vehicle, or the buildings is more than 30 years old. We continue to actively engage with government on this crucial issue and more on our work on this issue can be read in the technical section of the update.

Planning remained the number one problem for our members, large and small, who consistently cite delays as the number one reason prohibiting their ability to plan and expand. Homebuilders are still awaiting the Government's formal response to the planning white paper, on which the consultation period ended over a year ago. Problems and delays within the planning process are the most common concerns and it is apparent that the issues have got more difficult still over the last year. We will continue to work on members behalf to convey this message to Government and others, including through the media when appropriate, albeit it's unclear if the government has the appetite to tackle the problem for political reasons.

The environment is of course a priority for the industry as the Government looks to build on the commitments made at COP26 and navigate ways to reduce carbon emissions on the journey to a net zero economy by 2050. The industry has a major role to play in this work and for us significant changes will happen long before 2050 and we are working hard to ensure the requirements are deliverable for industry and considered alongside all the other regulatory costs currently being proposed. That's why we established the Future Homes Taskforce and in turn set up the Future Homes Hub and the work of the Hub will dominate HBFs agenda over the next few years. We are also working to communicate to government concerns about the cumulative costs of the incoming regulations and this work will continue throughout 2022.

Quality continued to be a major area of work for HBF over the last year. The work of the New Homes Quality Board, a body we were central to creating and remain heavily involved with, is really starting to come to fruition with the announcement of The Dispute Service

Limited as the preferred partner to create a New Homes Ombudsman Service (NHOS) and the publication of the New Homes Quality Code at the end of the year. More on the progress of the NHQB and NHOS can be read in the policy section.

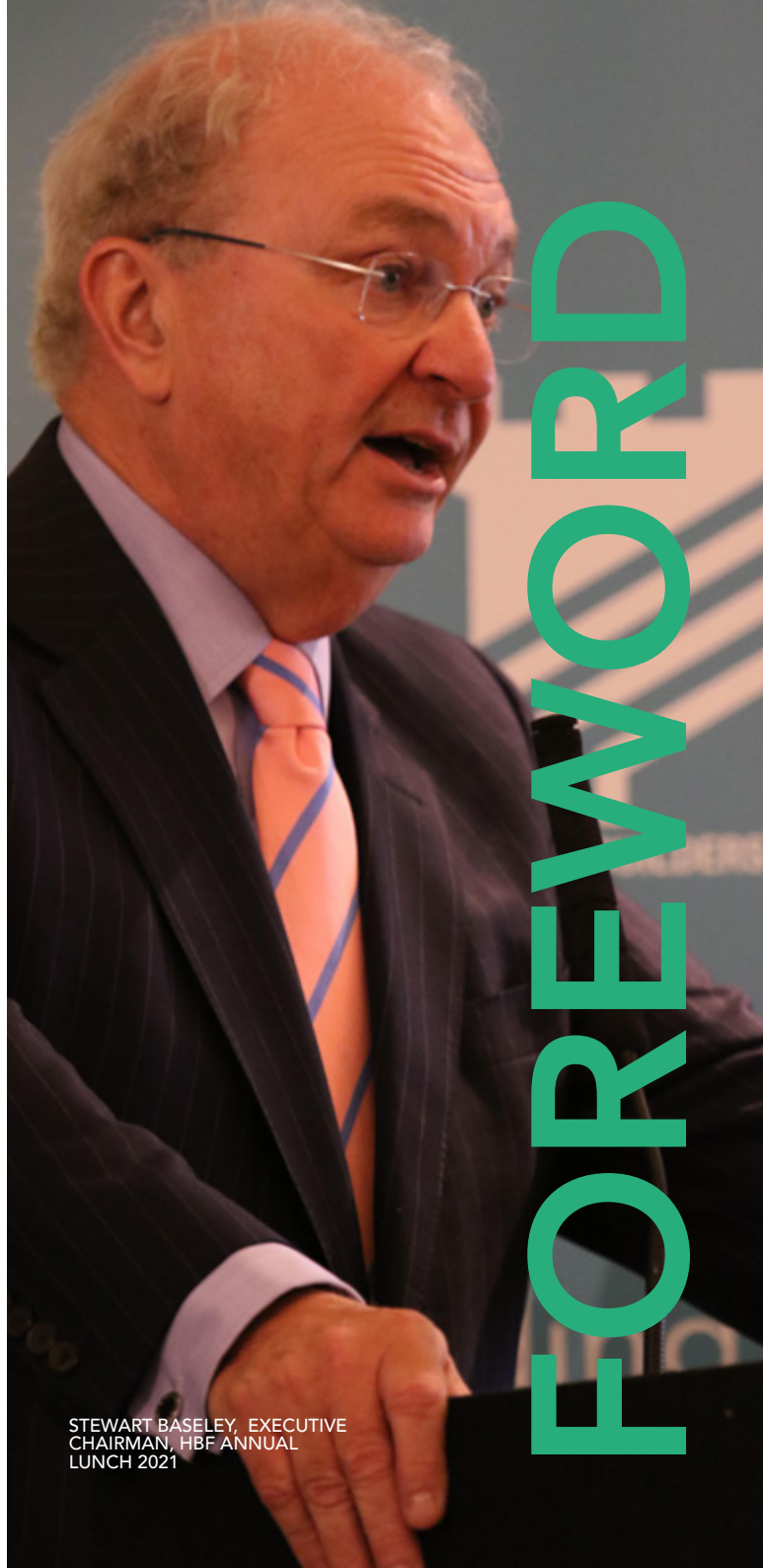
HBF has been working to find a new scheme that can fill some of the void to be left when the Help to Buy scheme closes. This work culminated in the launch of the Deposit Unlock scheme last year, a 95% loan-to-value mortgage scheme developed to enable purchasers to buy a new build property with smaller deposits. More detail on this can be found in the policy section of this report.

HBF has also been working with members, local authorities and the Government on finding a solution to the issue of nutrient neutrality which is currently holding up many thousands of homes and significantly increasing costs for builders in affected areas. We undertook a comprehensive survey of members to provide the Government with more insight into the scale and urgency of the issue and, following meetings with ministers, they have acknowledged that more work needs to be done to prevent this in the future, although they are still favouring nature-based solutions. More detail on our work and communication with Government on this can be read below and our work on this area will continue into 2022.

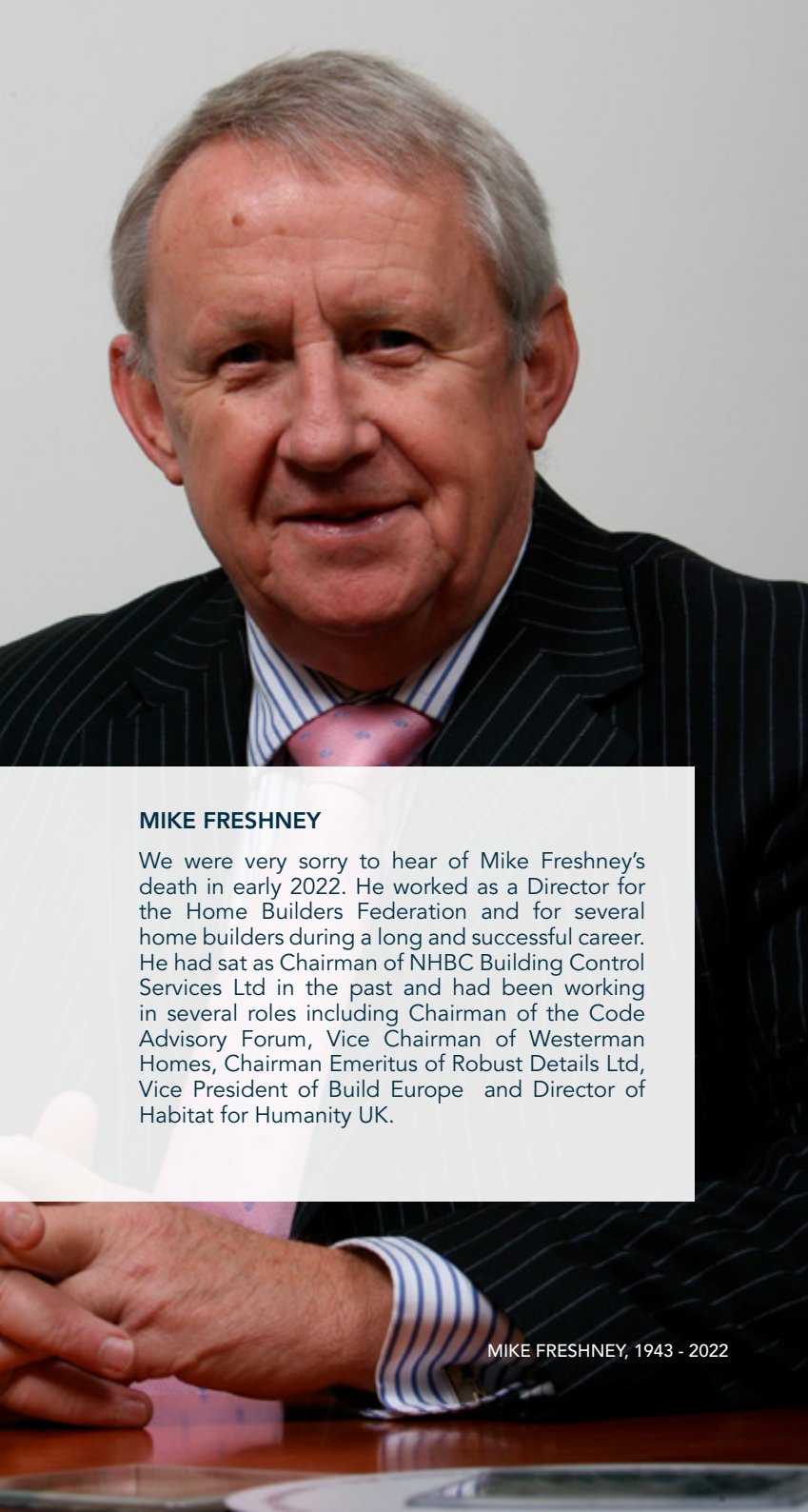
As always, space does not permit me to address in my introduction many of the issues we have been working on and will continue to progress this year. Skills, technical, design, diversity and inclusion, retirement housing and devolution are just some of the myriad of other issues upon which the HBF team are focused and a summary of this work, and much more, can be found below.

2022 already looks to be another extremely busy year, with a huge raft of legislation and regulation likely to be confirmed. However, the events of the last two years have shown the industry's ability to adapt and innovate and I have no doubt that we will continue to overcome all of the obstacles that come our way.

I would like to take this opportunity to thank all our members for their ongoing support, our board of directors for their wise counsel and my colleagues, who despite the disruption caused by the pandemic, ensured we could continue to effectively represent the industry through another extremely challenging year.



STEWART BASELEY, EXECUTIVE
CHAIRMAN, HBF ANNUAL
LUNCH 2021



MIKE FRESHNEY

We were very sorry to hear of Mike Freshney's death in early 2022. He worked as a Director for the Home Builders Federation and for several home builders during a long and successful career. He had sat as Chairman of NHBC Building Control Services Ltd in the past and had been working in several roles including Chairman of the Code Advisory Forum, Vice Chairman of Westerman Homes, Chairman Emeritus of Robust Details Ltd, Vice President of Build Europe and Director of Habitat for Humanity UK.

MIKE FRESHNEY, 1943 - 2022

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. Build Europe promotes information exchange between the industry across Europe and represents it in the European institutions. HBF is represented on Build Europe by John Slaughter and Terry Roydon. We have remained involved post-Brexit on a non-EU membership basis.

MIKE FRESHNEY, 1943 - 2022



MEET THE TEAM

Stewart Baseley, Executive Chairman

Neil Jefferson, Managing Director

Mark Behrendt, Planning Manager (London & Southern)

Sara Cartin, Operations Manager, Skills Partnership

Claire Coward, Campaign & Communications Officer

Emeline Farmer, Executive Assistant

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

Laura Markus, Policy & Public Affairs Advisor

Marian Macdonald, Office Manager & PA

Rachel Myers, Membership Manager

David O'Leary, Policy Director

Freya Scott, Technical Administrator

Deena Shaw, Project Co-ordinator, Skills Partnership

John Slaughter, Director of External Affairs

James Stevens, Director for Cities

Lynda Tahri, Head of Communications, Skills Partnership

Mark Thackstone, Finance Director

Emma Ramell, Policy & Public Affairs Manager

Steve Turner, Communications Director

Kieran Walker, Technical Director

Andrew Whitaker, Planning Director

Catherine Wilson, IT & Digital Manager



2021

HMI CONFERENCE 2021





CORONAVIRUS

While coronavirus prevented us from meeting face to face for the majority of the year, we endeavoured to keep you all up to date and adapted our communication channels to suit the circumstances. We have done this through:

- Member meetings on Teams/Zoom
- Moving our regular events to online webinars and conferences
- The regular Weekly News Summary, supplementary news throughout the week, and HBF briefing emails
- Supplementary briefings on policy issues of key significance.

We were delighted to be able to reintroduce some face-to-face events and meetings in the latter part of the year and we will likely continue to use a blend of both in person and virtual platforms going forward.

DEPOSIT UNLOCK

As members will know, HBF has been working on the development of privately funded high Loan-to-Value intervention over the past two years, work made more pressing with the Help to Buy scheme due to close in 2023.

Help to Buy has been an incredible success, and no industry scheme could ever replicate the scale and reach of that scheme which we worked to develop with Government almost a decade ago. Deposit Unlock is a 95% loan-to-value mortgage scheme developed by and funded by the industry and will provide the members with an option to assist buyers, in particular if and when the market becomes tougher.

The national roll out is the culmination of some years of work and we welcome the fact that so many other members are now looking to join the 17 founding who were instrumental in the creation the framework of Deposit Unlock. Nationwide have joined Newcastle Building Society in participating in the scheme and have confirmed that their Deposit Unlock assisted products will have a maximum price cap of £750,000 on houses and flats with rates for a two-year fix starting at 2.89%. Meanwhile, Newcastle Building Society has also enhanced its Deposit Unlock product, with a reduction in rates and a raising of its maximum price to £600,000.

MARKET MORTGAGE

As well as our work on bringing Deposit Unlock to the market, HBF has spent considerable time in recent years, working with Market Mortgage on its privately funded mortgage scheme that will provide top-up financing for new build purchasers to access 95% mortgages with participating lenders.

Moving forward we will continue to explore all possible options for supporting greater mortgage availability for new build purchasers and will be working to provide forums for more collaboration, engagement and contact between key lenders and home builders.

NEW HOMES OMBUDSMAN

Members will be aware that developing a framework within which a New Homes Ombudsman service can sit, the introduction of which Government is committed to

overseeing, in a way that is workable for industry, has been a major area of work for HBF for many years now. We helped put in place and are represented on the New Homes Quality Board (NHQB), the independent body now tasked with taking the work forward and remain involved and supportive of their proposals.

In the autumn the NHQB appointed The Dispute Service Limited as the preferred partner to create a New Homes Ombudsman Service. This was the latest significant milestone to be announced by the NHQB as it creates a new framework within which a NHOS will sit.

The New Homes Quality Code – the new code of practice that will supersede the existing consumer codes – was also published towards the end of last year. The Code can be read in full at www.nhqb.org.uk. Its publication followed the consultation that was carried out in early summer.

There are some significant additional requirements included in the new Code, in particular with regards to the pre-contract information that is required, and new requirements as to how complaints are dealt with. We are aware that a huge amount of work is going on within some companies to make sure they can comply with the new requirements and we would advise you all to engage with the NHQB to ensure your business is ready.

Through 2022 builders will be invited to register with the NHQB and then, once ready, 'activate' themselves and start to work to the new code and within the remit of the NHOS.

Alongside the developing proposals from the NHQB, the Building Safety Bill continues its passage. Once it passes, it will provide Government with the powers to put a statutory New Homes Ombudsman in place, or effectively endorse another parties' scheme. The NHQB also continues to liaise with the devolved administrations in Scotland and Wales and the intention remains to introduce the new arrangements initially on a GB basis and ultimately across the UK.

CUSTOMER SATISFACTION SURVEY (CSS)

We published our annual CSS star ratings in March, which again showed year on year improvements across all areas including the key 'recommend' question on which the ratings are based. At an industry level, 91% of all respondents said they would 'recommend their builder to a friend', a fourth

successive year of improvement. To achieve such results, considering the wider challenges the pandemic presented is an incredible achievement for the industry and demonstrates the commitment of the industry to its customers. It is also an extremely positive message we can use across all audiences about the approach of our industry to quality and service.

We also had Ipsos Mori conduct a review of the survey, the recommendations from which we will be discussing with members over the coming months. We are keen the survey is as fit for purpose as it can be – not least as the NHQB operationalises. The NHQB will itself be looking to monitor customer satisfaction levels and we are keen they incorporate our CSS as one of their measures. I would also like to take this opportunity to remind members to ensure that all their staff are aware of the scheme rules, in particular with regards to contacting customers about responding. We will continue to investigate any breaches of the rules and act as necessary to ensure the integrity of the survey, and its position as the pre-eminent measure is protected. We also continue to publish rolling year % scores each quarter.

More information on the CSS can be found on the HBF [website](#).

RESIDENTIAL PROPERTY DEVELOPERS TAX

Building safety has continued to be a priority for policy makers, developers and other industry stakeholders throughout 2021 and will continue to be in 2022. As announced in February last year, the Government has introduced a new tax on developers with profits over £25 million at a rate of 4%.

Following the announcement of the RPDT, HM Treasury consulted on the design of the tax over the summer, to which HBF submitted a response. The Government has since confirmed the details of the tax, a HBF briefing on this can be read on the HBF [website](#).

More on our work on the building safety programme can be read in the technical section of this update.

POLICY ACTIVITIES



NEIL JEFFERSON, HMI 2021

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RETIREMENT HOUSING

We have been working with our retirement development members to seek an amendment to the Leasehold Reform (Ground Rent) Bill, which was introduced in the House of Lords.

Following the Government's decision in January to reverse its earlier policy of exempting retirement developments from the future ground rent ban, the Bill proposes a transitional arrangement whereby ground rents in retirement developments could not be charged after 1 April 2023. This approach to transition will, however, be likely to result in a tranche of developments committed to prior to the Government changing policy on retirement ground rents being part-sold when the ban comes into force in 2023. Such an outcome would be problematic for both customers and companies.

Working with peers with an interest in housing for older people, an amendment to revise the proposed transitional arrangement to avoid the problems of a two-tier leasing structure in the current tranche of schemes was put forward at the Lords Committee stage. However, despite support from some other peers the Government was not willing to accept the amendment. Most recently we were also able to have the issue raised in the Lords Third Reading debate, but the Government again maintained that its existing proposal on transition was the most appropriate solution.

Separately, further discussions were held with then Housing Minister, Christopher Pincher, on steps that could be taken to improve the climate for the delivery of retirement housing schemes, so increasing the supply of housing for older people. In this context, we have renewed our support for the Government to set up a task force to look at the issues connected with the supply of housing for older people.

BUDGET REPRESENTATIONS

HBF submitted representations to the Treasury ahead of Budget 2021. Priority themes within our submission included:

- Maintaining a functioning housing market to reinforce economic confidence
- Building on housing supply increases to improve affordability and support economic recovery
- Positioning the industry for a greener future
- Building a workforce ready for fresh challenges that await in our greener, post-Brexit future
- Protecting small builders from economic headwinds.

DIVERSITY AND INCLUSION

HBF Diversity and Inclusion Group's aim is to promote and illustrate the home building's image as a diverse and inclusive employer. During 2021 they discussed a range of issues including flexible and agile working, the impact of the coronavirus pandemic, race at work, and LGBT+ employee networks.

The D&I group have been discussing benchmarking diversity and inclusion in home building and what industry wide information it would be useful to gather. HBF and the D&I group have begun work to run a benchmarking survey.



CHRISTOPHER PINCHER MP
MINISTER OF STATE FOR HOUSING,
HMI CONFERENCE 2021

FUTURE HOMES TASK FORCE

Following the publication of the summary report of the Future Homes Task Force – the Future Homes Delivery Plan – last summer, work is proceeding to set up the Future Homes Hub. The establishment of the Hub as an independent body to guide and facilitate work to implement the Delivery Plan was one of the main recommendations of the Task Force report.

The plan also confirmed agreed environmental goals for the operational performance of future new homes, for place and nature, for the construction process and business operation with a roadmap set out for each.

With initial funding support from DLUHC, matched by contributions from larger members of HBF, a smaller contribution from Defra and in-kind support from NHBC to put governance and administrative arrangements in place, we have the resource to move forward and work to set up the Hub is advancing.

The role of the Hub will be important across a wide range of environmental issues over time, but we have been very conscious that there should be a strong focus at this stage on the delivery of the Future Homes Standard and this will be reflected in the Hub's business plan, staffing and the initial working groups set up.

Our objective remains to agree a realistic and workable timetable for industry. Similarly, we worked hard to influence the consultation on electrical vehicle charging and changes to Building Regulations Parts L and F such that they are deliverable. More on this can be read in the technical section of this review.

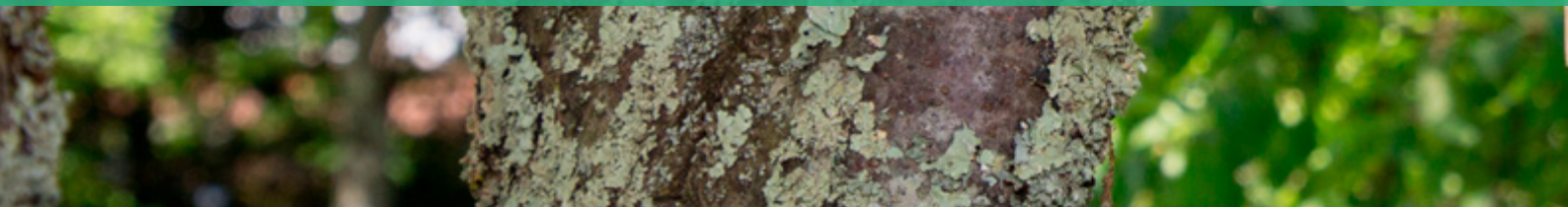
NUTRIENT NEUTRALITY

HBF collated evidence from members documenting the extent, cost, and availability of nature-based projects to enable developers to achieve nutrient neutrality, the results of which were submitted to DLUHC in September 2021. This exercise has provided us with a more detailed picture of member experiences and the availability of habitat solutions in the areas affected.

This issue had been affecting the delivery of homes across 31 local authorities in seven river catchments and, in March 2022, the Government announced that an additional 27 catchment areas affecting an additional 42 planning authorities may now be subject to the requirement for nutrient neutrality. We have calculated that 60,000 homes have been delayed in England and Wales due to the issue before the addition in March 2022 of a further 42 local authorities. The issue effects also the delivery of an additional 25,000 homes a year based on local plan targets.

The research demonstrates that habitat-based projects providing mitigation are in short-supply. In many areas affected schemes either do not exist yet or are too few in number to unlock all the housing schemes currently delayed. They are also taking too long to establish to provide a solution in the short-term. Many local authorities are still years away from implementing their own solutions and third-party schemes are scarce. The research also demonstrates that the cost of providing nature-based solutions is expensive. The estimated average cost based on member experiences is £5,000 per dwelling but can be considerably more expensive than this in areas with poor permit levels at wastewater treatment works. Local authorities, understandably, are anxious also about the diversion of planning gain monies from affordable housing and other policy goals to pay for nutrient neutrality.

Drawing upon the research by HBF, the Financial Times commented in late September on the delays to housebuilding caused by the issue.



We have discussed this issue with the Housing Minister on multiple occasions and met with further officials at DLUHC in early November. Despite the scarcity of established projects, the Government's view is that mitigation through nature-based projects is still the appropriate course of action in the short to medium term and wishes to understand the obstacles that local authorities face in progressing their own, local authority wide nature-based mitigation schemes. DLUHC has, nevertheless, acknowledged that alongside providing natural mitigation schemes, it will need to work with DEFRA to deliver improvements to wastewater treatment works to equip them with nutrient stripping technology and there will need to be changes to farming practices to reduce nutrient use and run-off from the land.

“60,000 homes have been delayed in England and Wales due to the [nutrient] issue before the addition in March 2022 of a further 42 local authorities.”

ENVIRONMENT

PLANNING & CITIES

PLANNING REFORM

We are still awaiting the Government's formal response to the planning white paper, on which the consultation period ended over a year ago. Problems and delays within the planning process are the most common concerns received by us from members and our experience throughout 2021 is that things have become even more difficult. We understand member frustrations and will continue to work on your behalf to convey this message to Government and others, including through the media when appropriate.

Environmental challenges are also at the top of our agenda for the forthcoming year as we work with both central and local Government in our attempt to solve issues such as water neutrality and the requirements of the new Environment Act, including Local Nature Recovery Plans and Strategies, and Biodiversity Net Gain. We continue to work closely with local planning authorities to ensure that evolving policies in their draft local plans are viable and effective.

PERMITTED DEVELOPMENT RIGHTS (PDRS)

The necessary regulations and amendments to the General Permitted Development Order have been laid in Parliament to allow for the conversion of Class E uses to residential use. Class E was introduced in September 2020 and encompasses a number of "town centre" uses to allow town centres to evolve quickly and efficiently into a new post-pandemic future. The proposals were consulted on in the Autumn of 2020 and received a great deal of criticism from various planning bodies such as the RTPI, the TCPA and, perhaps surprisingly, the BPF. HBF supported the proposal on the basis that any additional housing is a good idea and many HBF members had benefitted from the permitted development right to convert offices to dwellings and would, no doubt, create opportunities from town centre buildings as well. The new right came into force on 1st August 2021.

LICHFIELDS RESEARCH INTO LANDBANKING

Over the course of 2021, HBF worked with Lichfields on the production of three reports looking at how delays in the planning process are holding up housing delivery. The reports contradict claims that developers are 'land banking', and take a deeper look at how planning permissions

translate into units built and what might be needed to deliver on the Government's ambitions of 300,000 net additional homes per year.

PLANNING CONFERENCE

The HBF annual planning conference was held as a virtual event on 10th November. We heard from many speakers in the industry, including Chief Planner Joanna Averley and Sarah Richards, CEO of the Planning Inspectorate.

LOCAL ELECTIONS

Ahead of the metro-mayoral elections in May 2021, HBF approached each candidate with a list of recommendations to support house building in seven out of eight of the areas in contention. These recommendations can be read at the HBF [website](#).

Following the elections, HBF wrote to all successful candidates and have continued to engage in the months since.

More detail on the results and the policies proposed by each mayor can be read on the HBF [website](#).

LOCAL PLANS

The Greater Manchester Plan: Places for Everyone Plan 2021

HBF has made its representations on Mayor Andy Burnham's first joint plan for the Greater Manchester area.

The Plan has been many years in development and has been the subject of much local political argument. The published version of the plan covers nine out of the ten local authorities that make-up the Greater Manchester Combined Authority area.

The Plan aims to provide 165,000 homes over the period 2021 to 2037, or 10,305 per year. The housing requirement follows the Government's standard formula for assessing need, including the urban uplift of 10% for Manchester City. The target makes no other allowances, such as additions to support economic growth or the supply of affordable housing. In its representations, HBF has argued in favour of

these additions being made.

The aim is for the plan to be examined in 2022 and adopted by the spring of 2023 following a vote of approval by the constituent local authority members.

This vote of approval is requirement of the devolution deal but could add further delay. HBF's representations can be read on the HBF [website](#).

Creating a Vision for the Oxford-Cambridge Arc: Government consultation on its ambitions for the Arc

In October, HBF submitted its response to the Government's consultation on its vision for the Oxford-Cambridge Arc; the Government's plan for the future growth of the region up to 2050.

It is the Government's intention to publish a Spatial Framework for the area, covering 18 local planning authorities across five county council areas (Cambridgeshire and Peterborough, Northamptonshire, Oxfordshire, Buckinghamshire and Bedfordshire). The aim is that the Spatial Framework will sit above local and strategic plans (such as the strategic plan for Oxfordshire) having established general planning aims and principles.

HBF's chief criticism with the consultation is the lack of a definite timetable and plan for implementation. For example, it is unclear when subordinate local plans will need to be published, once the Framework has been published, to ensure that the Government's aims are implemented in time. It is also unclear how housing requirements will be distributed across the Arc area. More positively, the production of the Framework, will enable locations to be identified that will provide strategic-level environmental assets to help developers meet their new bio-diversity obligations.

HBF's representations can be read on the HBF [website](#).

BUILDING SAFETY

The new year so far has been dominated by discussions surrounding building safety following a renewed effort by the Government to seek funding from the industry for remedial works. We are currently engaging with the Housing Secretary and officials to try and ensure a proportionate approach. We will keep members updated of our correspondence and on the development of the funding arrangement.

Over the course of last year, we worked closely with the Government's building safety team in shaping the Building Safety Bill which will likely achieve royal assent Spring/Summer 2022 and be enforced from late 2023 / early 2024. We have had regular representation from the building safety team at the HBF Tall Buildings working group as well as presenting at the Building Safety Bill Select Committee evidence hearing panel.

In addition to this we have worked closely with both Government and the wider industry too, in forming the response to the consultation on the proposed Building Safety Levy which will come into force upon the introduction of Gateway 2 of the Bill. We worked closely with RICS and others on changes to the EWS1 form, which was significantly and positively amended in April 2021. The Government has since withdrawn the Consolidated Advice Note which caused much of the gridlock around EWS1 forms, and we hope that a much more proportionate approach can now be taken in this area.

ELECTRIC VEHICLE CHARGING

We have very recently seen the publication of the new Building Regulation covering EV charging which will come into force in later this year. HBF was instrumental in forming the industry response to this consultation and as such the proposals are now in a deliverable form.

PART L/F

HBF has again worked very closely with Government departments over the last two years in forming the updates to Approved Document Part L/F. The Government's consultation response, which was published recently, confirms that the new regulations will come into force on 15th June 2022. The consultation response confirms that, with implementation starting from 2025, the Future Buildings Standard will produce highly efficient non-domestic buildings which use low-carbon heat and have the best fabric standards possible. No further energy efficiency retrofit work will be necessary to enable these buildings to become zero-carbon as the electricity grid continues to decarbonise. It is still the Government's intention

to undertake a full technical consultation on the Future Homes and Future Buildings Standard in 2023. The Government response to the Future Buildings Standard consultation also sets out that the 2021 interim uplift to the Building Regulations will deliver a meaningful and achievable 27% reduction in carbon emissions for new non-domestic buildings compared to the 2013 standard.

Alongside publication of the Government response to the Future Buildings Standard consultation, DLUHC have also implemented the uplift by amending the Building Regulations and publishing new Approved Documents. This is a significant moment for the sector and the journey to net zero. This uplift provides a pathway towards creating homes and buildings that are fit for the future, and a built environment with lower carbon emissions and homes adapted to the overheating risks caused by a warming climate. The Government's response to the Future Building Standard Consultation can be found on [online](#).

The close working relationship with officials at BEIS and DLUHC have enabled HBF to influence and steer policy makers and we are continuing to press Government on the need for further action on the transitional arrangements and release of the SAP software.

“The new year so far has been dominated by discussions surrounding building safety following a renewed effort by the Government to seek funding from the industry for remedial works.”

WATER NEUTRALITY

We were involved in a rapidly developing situation within the North Sussex/Arun Valley area which is causing a stall to the consenting of major planning applications in the area.

In September 2021, Natural England issued an advice note

suggesting that due to the impact of water scarcity in the Arun Basin Sussex North Water Supply Zone on a protected species of snail, that planning consents for all new development within the Arun Valley (which affects Chichester DC, Crawley BC, and Horsham DC) should be withheld until either suitable mitigation measures are provided by NE, which they expect to be in place not before 2030, or that any new development should be submitted with a water neutrality strategy that would introduce measures to reduce water consumption down to max. 85 litres per person per day. As a benchmark, industry is currently being incentivised to try to achieve 105 litres per person per day. 85 litres l/p/p/day would significantly impact the use of the home as things currently stand.

In addition to convening a number of well attended focussed member groups, in terms of action and output, from HBF's perspective we have put into a place a five-point plan to attempt to combat this situation to prevent this issue spreading and mirroring the scenario the industry is currently battling with nutrient neutrality. The next steps of this plan which are currently in motion are, following meetings with DLUHC, OFWAT, DEFRA and Natural England towards the end of 2021 to discuss the matter in detail and understand the validity of Natural England's position.

This issue and our response will continue to develop over the coming months and we hope to deal with this issue centrally with Government to prevent widespread introduction of similar situations across the UK.

ACCESSIBILITY

The consultation on Approved Document M closed in December 2020 relating specifically to the proposed suggestion of the mandatory of adoption of AD Part M 4(2). The consultation is suggesting that amendments should be made to Building Regulations that consider and take account of our ageing population within new dwellings.

Within the consultation, the Secretary of State gave additional background for people having to spend more time in unsuitable homes through Covid-19 and the anticipation of the population of over 85s increasing from 1.5M to 3M by 2045.

It also forms part of the Governments 'National Strategy for Disabled People' consultation alongside those on planning reforms to deliver more homes.

Current research and reports suggest an increase in the minimum standard is required.

The consultation itself listed five options for the proposed changes to be made to the building regulations. HBF consulted widely with the industry to gain a consensus and the response document can be accessed on HBF's [website](#).

HEALTH AND SAFETY

Following the flurry of activity over the spring and summer months, which included the appointment of the executive sponsor Don O'Sullivan to HBF's Health and Safety working group, the appointment of a new chair of the group – Darren Shattock (Redrow), the publishing of the annual RIDDOR data collation, and the appointment of Michelle Dearsley (Countryside) as the deputy chair, the group is now busily working on its objectives as determined in the summer and we will keep members updated.

The challenge of getting more housebuilder members to contribute to RIDDOR statistics remains. Currently under 10% of our housebuilder members are reporting and contributing, which potentially leads to skewed results and analysis as to what the Health and Safety committee should be targeting as outcomes and areas for improvement across the industry.

HBF recently issued a briefing to all members to again raise the profile of the issue and request that members submit data and contribute. This was a success and led to submissions increasing by 10%. We will continue to press for more members to get involved.

HIGHWAYS FOI

The 2021 FOI exercise once again showed the clear disparity between county councils and Unitary Authorities in respect to the levels of charging criteria for bonds, commuted sums and inspection fees. In addition to this is the significant difference in performance of county councils and Unitary Authorities to grant technical approvals and engross documents in acceptable time periods to prevent delays to development specifically relating to S278 and S38 approvals.

This exercise is undertaken on an annual basis and is being shared with HM Treasury and the Department

TECHNICAL

for Transport, with the overall intention to lobby for national design standards of highways and infrastructure as well as national performance criteria of adopting authorities with punitive measures being proposed for the worst performing authorities. We are beginning to see more take up from county councils and Unitary Authorities with up to ten authorities now attending the quarterly Highways Meeting which is bringing a further wealth of knowledge to the discussions.

TECHNICAL CONFERENCE

The HBF National Technical Conference was held on 9th November. Delegates heard from speakers covering subjects such as Building Regulations, MMC and Offsite Construction, the Future Homes Delivery Hub and water issues. We hope that we will return to a face-to-face event this year.

FUTURE TALENT NETWORK

HBF's Future Talent Network (FTN) launched in January 2021 to help support new entrants to the home building industry broaden their knowledge and professional development. An online knowledge hub was created with information, opportunities, and news for new members to access, as well as a monthly podcast and webinar series on current industry issues.

Over 360 individuals signed up when first launched, increasing to over 500 across 44 organisations as we begin 2022. HBF also created a feedback survey for members to help shape content and activities to benefit this membership group going further.

HBF is encouraging its members to share information about the FTN with their employees and new cohort of graduates and to help them sign up. The Future Talent Conference is also due to return in 2022 following a pause last year due to Covid.

THE CITB LEVY CONSENSUS VOTE

During the summer we ran the HBF poll for the CITB "Consensus" vote on its Levy proposals for 2022-25.

The result of the HBF member vote was:

- By the number of companies responding – 54% Yes and 46% No
- By the aggregated value of assessed Levy payments for 2020 – 74% No and 26% Yes.

This meant that in accordance with the procedure set out in our communications on the consultation, HBF's vote was No to the Levy proposals for 2022-25.

HBF was one of three out of the 14 trade bodies within the scope of the CITB Levy that voted against the Levy proposals. However, although the overall vote across the construction sector was a majority in favour of the proposals, the level of support at 66% was down significantly on the last vote in 2017 when 77% of employers supported the Levy. This reflects an underlying concern about the effectiveness of the CITB among trade associations. We are now seeking to work with them to achieve improvements in both the service and support provided, with the overall aim of ensuring that Levy funding is used for activities that will have demonstrable impact in meeting the objectives that employers wish to see achieved by CITB.

Since the conclusion of the Consensus vote, Sarah Beale has stepped down as Chief Executive to be replaced by Tim Balcon. We have had an introductory meeting with Tim and

will be seeking to arrange opportunities for members to join discussions with him in coming months.

APPRENTICESHIPS

In 2021, HBF was accepted by the Institute for Apprenticeships (IfA) as a professional and employer-led body that supports the Institute, Ofqual and the Office for Students (OfS) in their external quality assurance (EQA) of apprenticeship assessments. HBF is providing support around existing apprenticeship standards to ensure they are fit for purpose, with the bricklayer apprenticeship standard being reviewed first.

BRICKLAYER MASTERCLASSES

The masterclasses, a Skills Partnership initiative, developed by HBF members with NHBC and the Association of Brickwork Contractors, funded by CITB, relaunched in response to demand and positive impact findings from evaluators. The sessions are delivered by NHBC and designed to improve practical skills and knowledge on the most common brickwork issues found by inspection teams. Onsite masterclasses for bricklayers began again in August and following high demand additional funding was secured to increase the number of sessions available from 100 to 350 to be delivered by April 2022.

BRICKWORK TRAINEESHIPS

HBF worked with CITB to support curriculum development and pilot brickwork occupational traineeships to help solve the FE construction student attrition (part of the CLC Skills Delivery Plan). This would follow a full-time diploma and lead to an apprenticeship or employment opportunity. CITB has also approached HBF to support content for carpentry, painting and decorating and drylining traineeships going forward.

DWP KICKSTART SCHEME

HBF signed up to the DWP Kickstart Initiative as a Gateway in November to support our members to navigate the scheme and help to provide opportunities for young people. A new and agile scheme, it came with its challenges. However, we supported over 20 employers in their submission of over 150 vacancies. As the Initiative has been extended, we will continue to support employers and young people until all the young people have completed the scheme.



SKILLS

ATTRACT CAMPAIGN

HBF continues to promote careers and entry routes into the home building industry with the creation of a new home building careers resource webpage. The new webpage includes presentations, virtual resources, activities, videos and information on how to encourage young people to enter the home building industry. One of the new resources that has been created is the virtual work experience toolkit and framework, developed with Barratt Development and Taylor Wimpey graduates. With the pandemic changing the way we work; this virtual resource provides career insight and activities that can be tailored to businesses strategy and recruitment scope. The virtual work experience toolkit and framework has been designed to be delivered to any audience, including school and college leavers, women's groups, ex-forces and the unemployed.

HOME BUILDING AMBASSADOR NETWORK

We encourage members to develop ambassadors within their business and to promote ambassador activity by getting involved in a variety of networks such as STEM and the Careers and Enterprise Company. Members agreed to report activity focussing on numbers of ambassadors and activities delivered in deprived areas only, where careers advice and employer interactions are identified as low. HBF also worked with Go Construct in improving resource accessibility for ambassadors.

VIRTUAL WORK EXPERIENCE

Demand for more virtual resources for ambassadors and schools led the Skills Partnership Attract Group to look at the development of various materials. Over the year it tested and launched a virtual Career Insight and Taster workshop model and a 3-5 day Framework of Virtual Work Experience, available for all employers to use.

LOCAL SKILLS IMPROVEMENT PLAN (LSIP) TRAILBLAZER PILOTS

The Skills Partnership has engaged with LSIP trailblazers awarded funding from the Department for Education as part of the Skills Accelerator Programme - objective is to set out the key changes needed to make technical skills training more responsive to employers' skills needs within a local area.

We have shared insight on skills challenges, barriers and proposed solutions with the LSIPs who have a Construction focus i.e., Cumbria, North East, Lancashire, Doncaster, Kent, and Sussex. We are encouraging employers to get involved in local events, workshops and consultations in preparation for the plans to be submitted to Government by end of March 2022.

VIRTUAL SKILLS TRACKER

HBF and CITB are progressing the project to ensure all training modules have an associated training standard and CITB grant to transpose these achievements onto CSCS cards.

VISITOR CARD

A total of 3,550 applications were processed successfully and in circulation as of the end of 2021. A large number of applications were made following the end of furlough and workers returning to work. Social media content continues to be developed to encourage more virtual purchases over plastic.



THE ATTRACT
CAMPAIGN FOCUSED
ON THE RANGE OF
JOBS FOR YOUNG
PEOPLE WITHIN THE
INDUSTRY

Gal

your



PETE REDFERN, HMI
CONFERENCE 2021.

MEDIA

We have continued to represent the industry in the media across a wide range of issues, providing numerous briefings and quotes on a broad variety of issues to ensure the industry perspective is considered. On non-company specific subjects, members continue to point journalists to HBF.

On a more proactive front, we issue regular press releases to generate some positive media around reports we have published or Government announcements such as the housing numbers.

We undertake an ongoing programme of briefings for national journalists.

PARLIAMENTARY ENGAGEMENT

Due to the ongoing restrictions and worries associated with coronavirus, it has not been possible to meet with MPs and Peers face to face for much of the year. As such, our digital communications with policy makers have never been more important.

We have continued engagement with MPs and Peers through briefings ahead of debates and letters on issues raised in parliament, such as land banking, energy efficiency and housing quality. We attended both the Labour and Conservative party conferences where we hosted panel discussions with the RTPI and BPF. We have also engaged with APPGs and Committees on issues such as rural affairs and the built environment.

MENTAL HEALTH AWARENESS

Mental health continues to be a big challenge facing the home building industry. To help build awareness, HBF and its members trialled a new feature on the Construction Helpline app for the Lighthouse Charity allowing interventions to be recorded and reported on.

A 'managing mental health' webinar was also held for smaller home builders and sub-contractors to give advice and guidance on how to integrate mental health policies and resources within their own businesses. Over 70 people tuned in live to watch the webinar and over 100 after the live stream with feedback being positive. Similar webinars are to be produced in 2022 along with mental health awareness training sessions for this group by the Lighthouse Club Construction charity.

HBF and its members continue to support industry initiatives including Mental Health Awareness Weeks with social media messaging and signposting support to help increase awareness in the industry.

LIVE EVENTS

While the first half of the year continued to restrict face to face events, HBF felt it was important to continue to provide opportunities for our members to hear the latest developments from a range of speakers through virtual events.

In May, the HBF Policy Conference was held virtually. Attendees heard from then Secretary of State Robert Jenrick on a range of issues including the environment, quality, design, planning and building safety. The then Minister for Skills Gillian Keegan also presented, highlighting that industry will miss its housebuilding targets if it does not have a “pipeline of talent” to build the country’s homes. Other speakers included David Livesey, the CEO of Connells and Mark Aedy Managing Director & Head of EMEA Asia Investment Banking at Moelis & Co. More on the conference via the HBF [website](#).

With restrictions relaxed over summer, we were delighted to be able to reintroduce some live events. The AGM and annual lunch was held in person in September. The day began with the morning Members Meeting and Annual HBF AGM. Nearly 400 guests attended the Annual lunch later in the afternoon, enjoying the opportunity to network with their industry colleagues and to listen to the guest speaker Matt Chorley. The agenda and meeting papers can be read on the HBF [website](#).

We also held the Housing Market Intelligence Conference in person in the Autumn where we heard from then Housing Minister Christopher Pincher, who used his speech to call on the industry to harness the spirit showed during the pandemic as the country moves towards a “brighter future”. Also speaking at the conference was Pete Redfern, CEO of Taylor Wimpey, Steve Wood CEO of NHBC, Edward Lockhart, Co-Chair of the Broadway Initiative, David Craddock, Director of Elite NuGEN Homes and Edwin de Silva, Travis Perkins’ Business Development Director, Sunday Times Economics Editor David Smith, Grainne Gilmore, Head of Research at Zoopla and Nicholas Boys-Smith of Create Streets. The event also heard from myself and HBF’s Managing Director Neil Jefferson. All delegates received the popular HMI report in digital format, including the top 75 housebuilders and key information on all the main issues that impact the new homes sector. Recordings and presentations are now available for all delegates on the housebuilder [website](#).

The Housebuilder Awards were held in November at the InterContinental London-The O2 with more than 500 people enjoying the black-tie event hosted by comedian Tom Allen. I would like to say a huge congratulations to all our winners and highly commended companies. The full list can be found on the Housebuilder [website](#).

REPORTS

In partnership with property consultants, Close Brother and Travis Perkins, HBF published a report exploring the array of challenges facing SME builders. This was the second of these reports, and enjoyed great coverage in national, regional and industry media. The report can be read on the HBF [website](#).

We also published our report ‘The Road to Redemption’, analysing taxpayer returns on the Help to Buy Equity Loan Scheme. The report found that the government’s home ownership scheme has seen homeowners repay their equity loans with an average uplift of more than 10% when compared with the original loan value. The report can be read on the HBF [website](#).

FINANCE WEBINARS FOR SME HOME BUILDERS

In April, HBF hosted two finance webinars for small and medium-sized home builders. Over the course of the two sessions, held a fortnight apart, over 120 members heard presentations from nine development finance and specialist providers.

Presentations were received from Close Brothers, Paragon, Invest&Fund, Barclays, United Trust Bank, Natwest, Heritable, Landmark Group and Hilltop Credit.

HOMES ENGLAND RESEARCH INTO ACCESSIBILITY OF GROWTH CAPITAL FOR MEDIUM-SIZED BUILDERS

In 2021, Avison Young were appointed by Homes England to conduct research on their behalf into the appetite for and availability of growth capital for home building firms currently producing between 200 and 2,000 homes per year. Avison Young are particularly focused on the role of equity.

HBF has assisted the project consultants with general insights and, in early November, assembled two focus groups of members to discuss the issues and their experiences. We will keep members updated on any conclusions or outcomes from this exercise.

We have continued to engage with the Welsh Government at various levels on a range of policies that have an impact on our industry.

In terms of Covid, the Welsh Government were slower to ease restrictions than Westminster, but it has been encouraging to hear how active the market has remained throughout despite all the difficulties experienced at the start of the year.

Most significantly, the Welsh Government held elections in May 2021. Labour retained power in Wales and following a subsequent reorganisation of the Government departments, housing and planning now forms part of the 'Climate Ministry', headed by Julie James MS and with Lee Waters MS as Deputy Minister. This has resulted in a greater emphasis on wider climate issues, as can be seen by recent government announcements which have a heavy focus on energy efficiency and reducing carbon emissions.

We met with the Welsh Government and the Minister Julie James to discuss the work of the Future Homes Hub and the work ongoing in Wales. The Welsh Government are happy to engage with the Hub as long as it is fit for purpose in Wales and doesn't hold back progress in Wales.

New home quality has also been a major focus for HBF and our Welsh members. The intention for the NHQB is for the new arrangements to be introduced across Great Britain and the Board continues to engage with the devolved administrations.

Like in England, members in Wales have reported issues associated with nutrient neutrality, in particular phosphates.

HBF is part of the Welsh Government Oversight Group and the Planning subgroup, through which we are continuing to try to find a solution to the phosphates issue. One potential

solution is the development of a phosphate calculator for Wales and work on this is advancing quickly. Local Planning Authorities (LPAs) have also been seeking legal advice with how to deal with the issue, particularly regarding planning conditions. The issue is not only affecting current applications but also several of the Local Development Plan reviews. Data on the number of homes in Wales affected is currently being collected and we will update members with any further information we receive.

The Welsh Government is also continuing to emphasise a plan-led system, but progress on a number of plans remains slow due to problems caused by the pandemic. HBF has continued to contribute to the various consultations and has been in touch with local authorities where necessary. Progress on Social Development Plan (SDP) remains slow, despite the Local Government (Wales) Act 2021 receiving Royal Assent in January 2021. The Welsh Government have advised that, due to the time needed to establish the Corporate Joint Committees and the need for secondary legislation, the first SDP will not be able to formally start until early 2022. with plans expected to take four to five years to adopt. HBF will continue to monitor the situation and ensure members are kept updated on developments.

SALES

LLANMOOR, CAE SANT
BARRWG, BEDWAS
DEVELOPMENT

HOUSEBUILDER MEDIA

The pandemic continued to challenge Housebuilder Media in 2021, with events again disrupted particularly in the first half of the year.

However, HBM continued to ensure that, despite the challenges, it provided important business useful information to the housebuilding industry when it was most needed. The company benefits from a unique position at the heart of the industry and serving that industry was important again in another difficult year.

Housebuilder magazine continued to be published physically and digitally throughout the year, distributed every month to its comprehensive readership cohort and providing unrivalled coverage of the many issues affecting the housebuilding industry. While the demand for online information continues to increase, magazine advertising revenue suggests that the paper edition still has much value. Advertising in the magazine and on the Housebuilder website was steady in the year.

HBM'S TEAM

Ben Roskrow, publishing director

Helen Board, business manager

Rob Houghton, Sales manager

Kellie Kent, events manager

Suzie Mayes, reporter

Lisa Sweeney, events and publishing assistant

For the second year in succession, HBM's successful events programme was disrupted by the pandemic, with key events in the first half of the year having to be delivered virtually, postponed, or, in a few cases, cancelled.

However, from the summer onwards, live events returned with the HBF Golf Day in July being HBM's first face to face event for 17 months. The HBF AGM was held in September, and crucially the three major events of the year - the Housing Market Intelligence conference, the Housebuilder Awards and the HBF Ball - were all delivered before they could be seriously disrupted by the Omicron wave of the pandemic.

As a result, Housebuilder Media returned to profit for the year, and we look forward to business returning to something approaching normal in 2022.





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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