

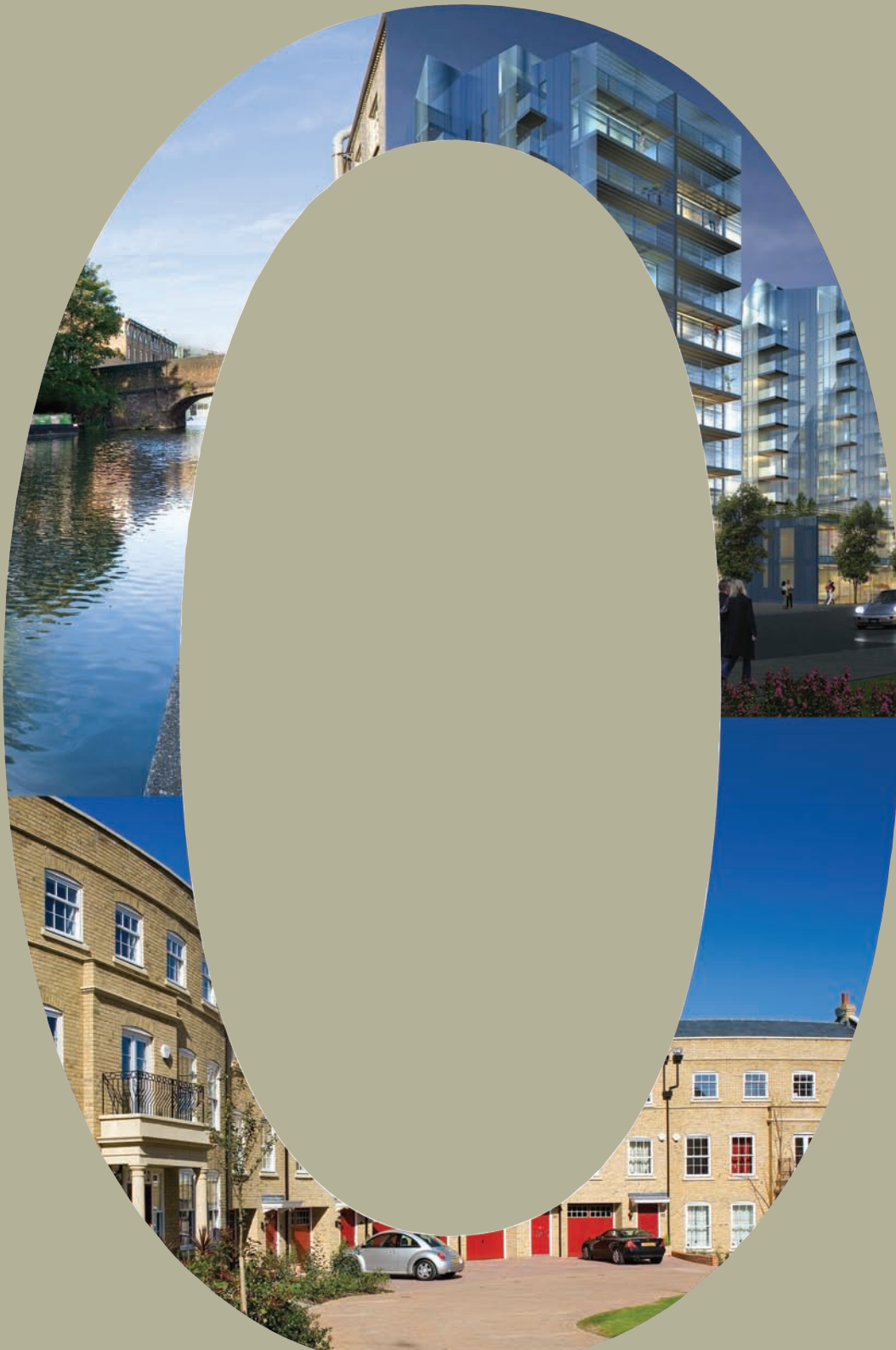
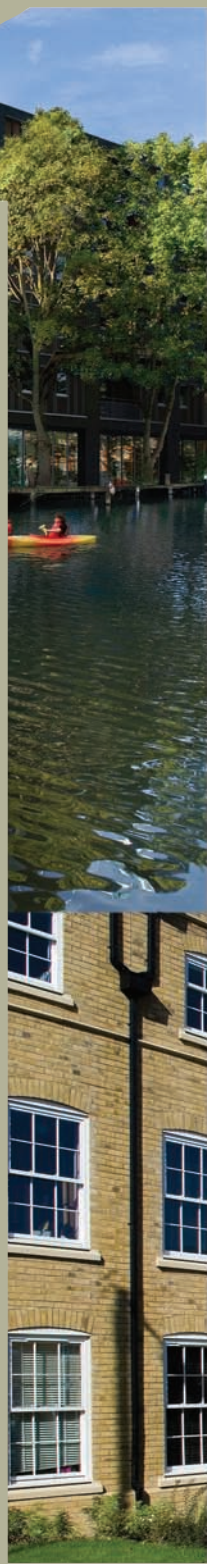


ANNUAL REPORT 2010

The voice of the home building industry







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executive chairman's report

Stewart Baseley Executive Chairman

This year proved another difficult one for the home building industry as the number of homes built fell yet again. It was subsequently revealed that just 103,000 homes were completed in 2010, the lowest number in any peacetime year since 1923.

The lack of affordable mortgage availability remained the largest short term constraint on housing supply throughout the year. We held numerous meetings with Government officials in CLG and Treasury, the Bank of England and representatives from the lenders. There is no silver bullet, but I think we helped increase the realisation within Government and elsewhere of the need to act. HBF subsequently attended the First Time Buyer Summit held by Grant Shapps in early 2011 to discuss ways forward.

Against this backdrop the latest household projections, released in November, reconfirmed the strength of underlying housing need and showed that the number of households in England is projected to grow by an average of 232,000 annually from 2008 – 33.

Correcting this imbalance between supply and demand is of course now the responsibility of a coalition Government formed in what can only be described as an extraordinary few days after May's General Election.

Few predicted that the Conservatives and Lib Dems would combine to create what now looks like a stable Government that will last for five years. Even fewer, however, could have predicted the speed and magnitude of the changes instigated by the newly formed Government – changes our industry, I think it is fair to say, felt more than most.

At HBF we had of course been speaking with the Conservative Party for some time in advance of the election. That was one reason why I

was pleased that Grant Shapps retained his pre-election brief and became Housing Minister – even if his role did not retain the cabinet status we felt appropriate. He has demonstrated both before and since the election that he has a good understanding of our issues and we have developed a good working relationship.

Despite this, the period after the election proved to be a difficult and concerning one for housebuilders. The Conservatives and, to a lesser extent, the Lib Dems, have a deep-seated, somewhat evangelical commitment to Localism that runs through their policies across the board. We, of course, had got to know this before the election in our dealings with the Conservatives, and it was clearly not a position from which they would be shifted.

However, the one thing we did try and impress upon them in the lead up to the election was the need for a clear transition plan to take us from the top down system that was favoured by the previous Labour Government – and to which housebuilders, Local Authorities and all the other parties involved in planning and housebuilding were accustomed – to this new Localism based approach.

The fallout from the letter Secretary of State Eric Pickles sent to Local Authorities in late May, effectively telling them that the previous system had been scrapped, unfortunately proved why we were right to be concerned. By informing them it was his intention to “rapidly abolish” regional strategies, without indicating any alternative mechanism for housing delivery, he left Local Authorities and housebuilders alike confused.

It resulted in many Local Authorities rejecting individual site applications that were previously being processed whilst others have

abandoned their local plans – with nothing replacing them. The subsequent High Court case that saw the actions of Pickles deemed illegal and the old system reinstated did little to ease our industry's concerns.

Throughout the year, HBF pressed for clarification of the new system. We held numerous meetings with Eric Pickles, Grant Shapps and other members of the ministerial team including Greg Clark, Bob Neill and Andrew Stunell as well as meeting with officials at a range of Government departments.

These allowed us to stress the importance of clarifying the new system, details of which started to emerge as the year progressed.

I do still believe that the commitment Shapps made both whilst in opposition and upon taking office, to increase housing supply over the term of the parliament was a genuine one. I don't, however, think he appreciated the scale of the barriers preventing his Government from doing so, or the implications of the radical changes to the planning system they proposed.

Ministers have though subsequently shown a willingness to listen and engage on ways forward and I hope the ongoing dialogue resulting from the alliances we have formed will allow us to influence the Localism Bill and other developing policy areas such that we can help Shapps meet his stated ambition of building more homes.

I think that we were lucky during the election campaign that in Shapps and his incumbent Labour counterpart John Healey, we had two politicians who are truly passionate about their brief and intent on finding solutions to the housing problems faced by the country. One of

“I hope the ongoing dialogue resulting from the alliances we have formed will allow us to influence the Localism Bill and other developing policy areas such that we can help Shapps meet his stated ambition of building more homes”

**Stewart Baseley speaking
at the Housing Market
Intelligence Conference
in October 2010**



executive chairman's report

2010



my personal highlights was playing the David Dimbleby “refereeing” role at our pre election Question Time style Policy conference – when their passion certainly shone through!

Throughout 2010 we also continued to press the case for a reduction in the regulation faced by developers. This is an issue we have been pushing hard for a number of years and I am pleased that the new Government seems to share our view that as an industry we are over-regulated. Grant Shapps’ public promise to reduce regulation was welcome recognition that our efforts have not been in vain.

Zero carbon was another significant policy area with which we were involved through the year. I was pleased that Grant Shapps committed to being pragmatic about finding a way forward – even if he found that his promise to provide a definition of zero carbon “within weeks of taking office” was a challenge too far!

We worked closely with the Zero Carbon Hub who continued to demonstrate their value to the process. In my capacity as joint chair of the Zero Carbon Task Force with the Minister I was tasked with undertaking a review of the Hub’s work. The results were overwhelmingly positive and a clear vindication for continued funding of the Hub given the future role seen for it.

In what proved to be another difficult year, the results of HBF’s fifth Customer Satisfaction Survey in April, proved a real fillip and were truly outstanding.

The headlines were that nearly 9 out of 10 purchasers were happy with the overall quality of their home, with an almost identical number saying they would recommend their builder to a friend.

Raising customer satisfaction in a home building company, where each house or apartment is effectively a bespoke product, built on location, often involving sub-contract labour, requires commitment from everyone in the company, from senior management through to site sales and construction staff. It is no easy task and we should all be rightly proud of 2010’s results.

Another pat on the back is due to David Pretty and the New Homes Marketing Board. Its New Homes Month campaign in September proved a real success and saw positive news articles appear in hundreds of newspapers up and down the country.

At the end of the year David, former Barratt CEO, longtime HBF board member, chairman of the NHMB for the past four years and one of our industry’s best known figures, decided to retire and spend more time with his growing number of grandchildren. I wish him well and on behalf of the entire industry thank him for his sterling service.

There is more detail on all of the above on the following pages.

Finally, on behalf of all the board, I would like to thank the HBF staff who have worked so hard throughout the year on all these issues. HBF, like all its members and other similar organisations in the current economic climate, has had to keep a very tight control of costs which has necessitated the team having to pull together like never before. The results are a credit to your efforts.

In addition I would also like to thank my fellow Board members for all their support and guidance throughout another busy year.

“Throughout 2010 we continued to press the case for a reduction in the regulation faced by developers. This is an issue we have been pushing hard for a number of years and I am pleased that the new Government seems to share our view that as an industry we are over-regulated”

“Our core message was to emphasise the case for an improved housing supply, stressing its economic and social importance in terms of jobs, wealth creation and tackling the adverse effects of the supply crisis on people”

**Housing Minister
Grant Shapps at
the HBF Policy
Conference in
April 2010**

external affairs

John Slaughter Director of External Affairs



The political year was dominated by May's general election that resulted in a new Coalition Government taking power.

The build up to the contest was more fevered than in the two preceding elections because of the real possibility of change and the high stakes for all the main political parties.

Little was straightforward. The wait for confirmation of the election date was long, but the formal campaign short. And for the first time much attention was focused on the three live television debates between the main party leaders and how their outcome might affect voting intentions.

HBF produced its own manifesto for the election that was widely distributed, including to the candidates themselves, and available for members to use with their political contacts during the campaign. Our core message was to emphasise the case for an improved housing supply, stressing its economic and social importance in terms of jobs, wealth creation and tackling the adverse effects of the supply crisis on people. We set out to all parties the main barriers the industry faces to delivering more homes and what an incoming Government could do to reduce these.

We also worked with other trade bodies to reinforce these messages in a collaborative manifesto covering wider aspects of housing and construction.

Because of the unusual circumstances of the campaign – which was ignited by the first televised leaders' debate – the focus on many issues was probably weaker than it might have been. Attention was mainly on the leaders themselves and the pre-eminent challenges of tackling the budget deficit, overcoming recession and the country's international commitments. The need for more housing was nevertheless raised in the third leaders' debate, when Prime Minister elect David Cameron

clearly indicated he believed there was a need to build more homes.

The new Coalition Government had not generally been predicted despite the real possibility of a hung parliament being suggested by the opinion polls – an outcome made more likely by the large number of seats the Conservatives would have had to win to gain an overall majority.

With hindsight it remains remarkable that the Conservatives and Liberal Democrats were able to put together an extensive Coalition Agreement to cover a five year parliamentary term in a very short period of time in order to cement their co-operation in Government.

It is likely that one of the easier elements of the Agreement to conclude was the new Government's commitment to transforming the planning system and to localism. Very similar ideas about such a change had been in the Conservative and Liberal Democrat manifestos and both parties had increasingly expressed opposition to the Regional Strategies and their "top down" housing targets.

It was not surprising therefore that the new Government followed through very quickly to confirm its intention to abolish the Regional Strategies and to declare that this constituted a material consideration for the determination of planning applications. While the courts subsequently ruled that the Secretary of State did not have the legal power to immediately abolish all the Regional Strategies, the Government's policy nevertheless made a significant difference on the ground with many Local Authorities scaling back their housing numbers.

In this difficult environment for the industry, HBF built on its existing relationships with new Ministers to seek early clarification of policy thinking and to feed in industry issues and concerns. Continuity of dialogue was particularly helped by Grant Shapps becoming Housing

Minister, given the good relations we had previously developed with him in his Opposition role.

We also brought a number of members together to discuss an enhanced engagement strategy for our national and local representative work to ensure it could be as effective as possible in the new world. This work was in turn boosted by the recruitment of Tim Collins, who had been Grant Shapps' chief of staff up to the election, to strengthen our team.

As a result of this focus we were able to mount pro-active press and media campaigns in areas where significant reductions in housing provision were proposed, pointing to the impacts for these communities, including the loss of future income from the Government's proposed New Homes Bonus.

In the last three months of the year we also produced new reports on the difficulties faced by prospective first-time buyers in saving for a deposit (Broken Ladder) and on the employment and investment benefits of building more homes (Building a Recovery).

More generally, we continued to build our narrative on the case and need for a better supply of homes and the requirement to tackle the constraints facing the industry in terms of the burden of regulation and constrained mortgage supply. In this regard the new Government's commitment to deregulation and private sector-led growth provided a positive context within which to work.

Towards the end of the year our attention began to focus on the Localism Bill and initial thinking about the accompanying National Planning Policy Framework. These will be a major area of activity in 2011.



economic affairs

John Stewart Director of Economic Affairs

The year proved another difficult one for housebuilders. Optimism sparked by the recovery that emerged in Summer 2009 slipped away, especially in the second half of the year and the number of homes being built again fell.

HBF continued to work very closely with the Homes and Communities Agency (HCA) during 2010. At monthly working meetings, HBF members and HCA officials monitored progress with HomeBuy Direct (HBD) and Kickstart, allowing us to address operational problems and constraints. These two programmes contributed significantly to the very sharp increase in private housing starts in the first half of 2010. By the time HBD expired in September 2010, after HBF negotiated a six month extension, it had secured around 9,500 new home sales to first-time buyers, roughly 10% of all new home sales in England over the period in which it operated.

HBF also arranged several discussions between members and HCA officials to explore the implications for home builders of the new Affordable Rent model and cuts in HCA funding. Three HBF members were nominated to assist CLG and HCA officials with detailed design of the new model.

Mortgage supply, particularly the lack of higher loan-to-value (LTV) mortgages, is by far the biggest immediate constraint on housing supply. HBF devoted a great deal of time in 2010 to talking to lenders, insurers, Government officials and organisations putting forward proposals to bridge the deposit gap. There are no easy answers, but we are making progress and hope 2011 will see some practical solutions.

The Federation made submissions early in the year to Treasury and FSA consultations on mortgage regulation. Later in the year we also responded to the FSA Mortgage Market Review consultation, liaising with other organisations, particularly the Council of Mortgage Lenders. As a direct result of HBF representations on the regulation of second-charge mortgages, the FSA and Treasury fully understand our concerns and are keen to work with HBF to see whether a solution can be found which will enable housebuilders to continue offering shared-equity schemes.

HBF, assisted by a special member working group, has spent the last three years convincing officials and ministers that the cumulative regulatory burden is a major constraint on housing output. Progress stalled in the dying days of the Labour Government, but the Coalition Government has put the deregulation agenda into a higher gear.

Central Government policies and regulations are subject to stringent checks and controls, most notably the “one in one out” rule. The October Spending Review committed the Government to reducing the total regulatory burden on home building by the next Spending Review, putting us in a unique position in British industry. The commitment will be an enormous challenge.

Housing Minister Grant Shapps made a good start by refusing to sanction the introduction of the higher standards being proposed by the HCA and ruling out imposition of the onerous Lifetime Homes standard. But CLG must now find regulatory cuts to compensate for the higher costs of the Part L zero carbon target. In addition, Defra must find cuts to compensate

for the higher costs of the Flood and Water Management Act. Because the commitment is to reduce the total regulatory burden, it must also cover Local Authority policy and regulatory demands, a particularly difficult challenge given the scale of these demands and the Government’s commitment to localism. HBF has put forward its own detailed proposals for meeting this objective.

During 2010, HBF made submissions to the Treasury for the March Budget, the June emergency Budget and the October Spending Review. We continued to hold regular meetings with Treasury officials to discuss a wide range of housing supply issues.

April saw the successful introduction of the Consumer Code for Home Builders, the culmination of six years of work. The Code appears to be running smoothly, a great tribute to the many people who were responsible for developing and introducing the Code, most notably staff at NHBC and Premier.

HBF’s 2010 Customer Satisfaction Survey results were a triumph for the industry, with overall satisfaction and recommendation rates of 88%, despite the worst housing downturn for 80 years. There can now be no doubting the industry’s commitment to high levels of customer satisfaction.

During 2010, Economic Affairs worked with officials at Treasury, CLG, the Better Regulation Executive (BRE), the Department for Business, Innovation and Skills (BIS), No.10 Downing Street, Bank of England, HCA, CML and RICS.

“HBF’s 2010 Customer Satisfaction Survey results were a triumph for the industry, with overall satisfaction and recommendation rates of 88%”

John Stewart speaking
at the Housing Market
Intelligence conference



technical

Dave Mitchell Technical Director

HBF responded to a number of technical consultations during the year. These included; the consultation on the Code for Sustainable Homes and the Energy Efficiency Standard for Zero Carbon; HCA's proposed core housing design and sustainability standards consultation; and the consultation on draft regulations and proposals for schemes for the transfer of private sewers to water and sewage companies in England and Wales.

On the Building Regulations front the revised Part G (sanitation & hot water & water efficiency) came into operation in April 2010. The revisions to Part F (means of ventilation), Part J (combustion appliances and fuel storage) and Part L (conservation of fuel and power) were also released during the year and came into operation in October.

The Part L changes required a 25% improvement above the previous regulation. This is an important step on the roadmap to the 2016 zero carbon target as set by Government.

Embedded within Part L changes was the requirement for all party walls to have a U-value of zero. This is in addition to the 25% improvement. The associated SAP software was also released in October. Members continue to have a number of issues with regard to this.

Following its election in May, the new Government sought views on how it could improve and slim down future building regulation. It proposed a "one in one out" approach that aligned with the Government's commitment to reduce regulation and was something HBF welcomed.

HBF responded by identifying areas of duplication in the current regulations as well as regulations that could be easily merged together, and some that could be dispensed with. We also looked at and commented on the relationship between Building Regulations and other policies and codes including the Code for Sustainable Homes, again identifying areas of overlap, duplication and conflict.

HBF's view remains that there is real scope for fewer regulations overall, and for future regulations to be more simple, sensible and straightforward.

Throughout the year HBF has been tracking the Floods and Water Management Bill. This passed through both the House of Lords and Commons in April 2010 and is now an Act on the statute books. This will potentially be a big issue for housebuilders in the coming year and HBF has held many meetings with Defra, Ofwat and Water UK on this, and will continue to do so.

HBF continued working and liaising closely with the Zero Carbon Hub throughout the year with regards to the Government's zero carbon agenda. Following the successful outcome on proposals for future energy efficiency standards the Zero Carbon Hub was commissioned by the Minister to relook at the Carbon Compliance level that was set by the previous Government at 70%. It had been recognised that this was a challenging figure which was not deliverable as a national minimum standard for 2016.





“Following its election in May, the new Government sought views on how it could improve and slim down future building regulation”

A Task Group containing HBF and a number of members was set up and recommend an appropriate minimum national Carbon Compliance standard for 2016, which should be somewhere between 44% and 100%.

An interim report was prepared for the Minister in December with the final report completed early in 2011. However, there are still many hurdles to cross. The recommendations in the report will have to be looked at by BRAC and will also be subject to public consultation prior to implementation.

There are a lot of regulatory and policy issues arising from the Government's sustainability agenda that pose serious concerns for

housebuilders. Ongoing issues such as zero carbon homes, Code for Sustainable Homes, sustainable urban drainage and water efficiency all fall into this agenda as well as the emerging issues such as the Flood and Water Management Act.

In response to this HBF established a Sustainability Group to specifically look at these issues and communicate them to the wider membership. The work of this group will also put us in a better position to influence emerging Government policy.

HBF continues to liaise with the HSE on its ongoing investigations into the carbon monoxide problems associated with extended concealed flues within ceiling spaces.

The National Technical Conference took place in November at Thinktank in Birmingham, entitled Redefining the regulatory maze. Delegates received presentations from CLG and Defra officials surrounding the Code for Sustainable Homes, Building Regulations and an overview on the forthcoming Flood and Water Management Act 2010. Delegates also received presentations from the Zero Carbon Hub, Robust Details Ltd and National Energy Services.



planning

Andrew Whitaker Planning Director

James Stevens Strategic Planner for the Regions

The year was, of course, dominated by speculation over the election and the changes to planning and housing policy that would occur whoever won and came to power. After a number of false starts, the Conservative policies were finally published in February in their Policy Green Paper No.14 entitled Open Source Planning. This gave the country the first feel for a bottom up, locally based planning system following the much publicised proposed removal of the regional housing targets, set out in the Regional Strategies (RS).

Given the speculation of a probable Conservative win at the election in May the Green Paper was given considerable weight by both the industry and, more importantly, by Local Planning Authorities. The latter's views had been fuelled by a letter written by Caroline Spelman, the shadow CLG Secretary, in August 2009 urging Conservative MPs and Councils to delay making decisions on any major housing proposals, especially those required solely to meet regional housing targets set out in the RS. This had the desired effect as many Local Authorities abandoned further work on their emerging local development plans while some went as far as actually refusing planning permission on strategic land allocations in their adopted plans.

The formation of the Coalition Government raised fears within the industry that the provisions of Open Source Planning would be implemented as soon as possible and gave even greater incentive for

Local Authorities to abandon both regional housing targets and ongoing work on their development plans. HBF collated the evidence of the actions of many Local Authorities and presented this to the new Housing and Planning Ministers Grant Shapps and Greg Clark at our first meeting following the election.

Meanwhile Eric Pickles, the Secretary of State for Communities and Local Government, quickly lived up to his self confessed love of localism – devolving power to the lowest possible level – and abolishing things. First and foremost on his list were, of course, the regional housing targets and, so it transpired, the entire regional tier of planning through his withdrawal of all adopted RS.

Unfortunately the Secretary of State went too far, too fast and a successful legal challenge of his actions meant that the RS (and their housing targets) currently remain in place and form part of the development plan against which decisions must be made. A subsequent challenge against the Secretary of State's comments after the ruling that "this made no difference" and that the Government still intended to remove RS from the planning process was not successful. But the judgment makes clear that while the Government's intention to abolish RS can be considered to be a material consideration the starting point for all decisions must still be the development plan, which includes them.

New planning policy and processes are currently being pursued through the evolution of the Localism Bill. This massive Bill, covering Local Government finance, administration, housing and planning was published in December 2010 and will take most of 2011 to complete its course through the parliamentary system. The likely implementation date will be April 2012.

While bringing forward many of the ideas of Open Source Planning, the Bill is certainly a very different animal. It reflects the considerable concerns that many planning professionals (both from the private and public sectors) had over some of the more radical proposals for local decision making.

Thus the existing development plan system, established through the 2004 Planning and Compulsory Purchase Act, remains intact, albeit the promised removal of the RS will occur. However, the concept of bottom up planning through the preparation of neighbourhood plans has now been set in the context of the requirement for such plans to conform with the district wide local plan which in turn must conform to the National Planning Policy Framework (NPPF).

This latter document is currently being drafted by the Government with input from a number of interested parties including HBF. We continue to sit on a plethora of working parties and steering groups that are examining in detail the emerging legislation and guidance. We also made



“We continue to hold regular regional meetings throughout the year in order to ensure that we address the emerging issues in each part of the country that best assists the membership”

several appearances before House of Commons Select Committees over the year, most notably on the Localism Bill itself and with regard to the impact of the removal of RS. This work will continue throughout 2011.

Regionally we continue to focus our resources on addressing those areas identified as key considerations for the industry. The changes being proposed through the Localism Bill, the establishment of Local Enterprise Partnerships across much of the Country and the ongoing fallout from the proposed abolition of RS means that we have had an extremely busy year facilitating member's involvement in local issues and working groups. Major work throughout 2010 focussed on Leeds, Manchester, Birmingham, Bournemouth, Ashford, and, throughout much of the summer, the public inquiry into the replacement London Plan.

HBF is, of course, increasingly grateful to all of our members who assist us in our regional work. We continue to hold regular regional meetings throughout the year in order to ensure that we address the emerging issues in each part of the country that best assists the membership.



wales

Richard Price Planning and Policy Adviser, Wales

Throughout 2010, HBF worked tirelessly with the Welsh Assembly Government (WAG) to ensure Ministers and officials were kept fully abreast of the industry's concerns.

We worked consistently to warn them of the cumulative impact of planning regulation on land values in Wales, and to acknowledge the requirement for national policy to recognise that housing supply in general must be increased, instead of concentrating solely on the delivery of affordable housing. In light of this work, the First Minister has personally requested that a group be set up to discuss these concerns and is expecting a report back in early 2011.

In response to the WAG's intention to alter Building Regulations, HBF and members held a number of meetings with officials to ensure the changes proposed are realistic and achievable. The WAG has indicated that a consultation process will be arranged and has agreed to make HBF a key stakeholder. It is likely that work on this will begin in the early part of 2011.

In response to proposals to fit fire sprinklers in all new homes, HBF ensured WAG was fully aware of all the potential implications. HBF has given written and oral evidence to the Scrutiny Committee created to consider the measure and has made strong representations to WAG Ministers on the need to consider the wider potential effects of the measure on the delivery and viability of homes in Wales.

In terms of further progress, despite the WAG successfully achieving the power to decide whether or not pursue the next stages of the measure, we are still a very long way from any change in Building Regulations to

enable the measure to be implemented. The WAG indicated that any further decisions will be made by the new administration after the May 2011 elections and has assured us that HBF will play a key role in process, should the WAG decide to progress the matter further.

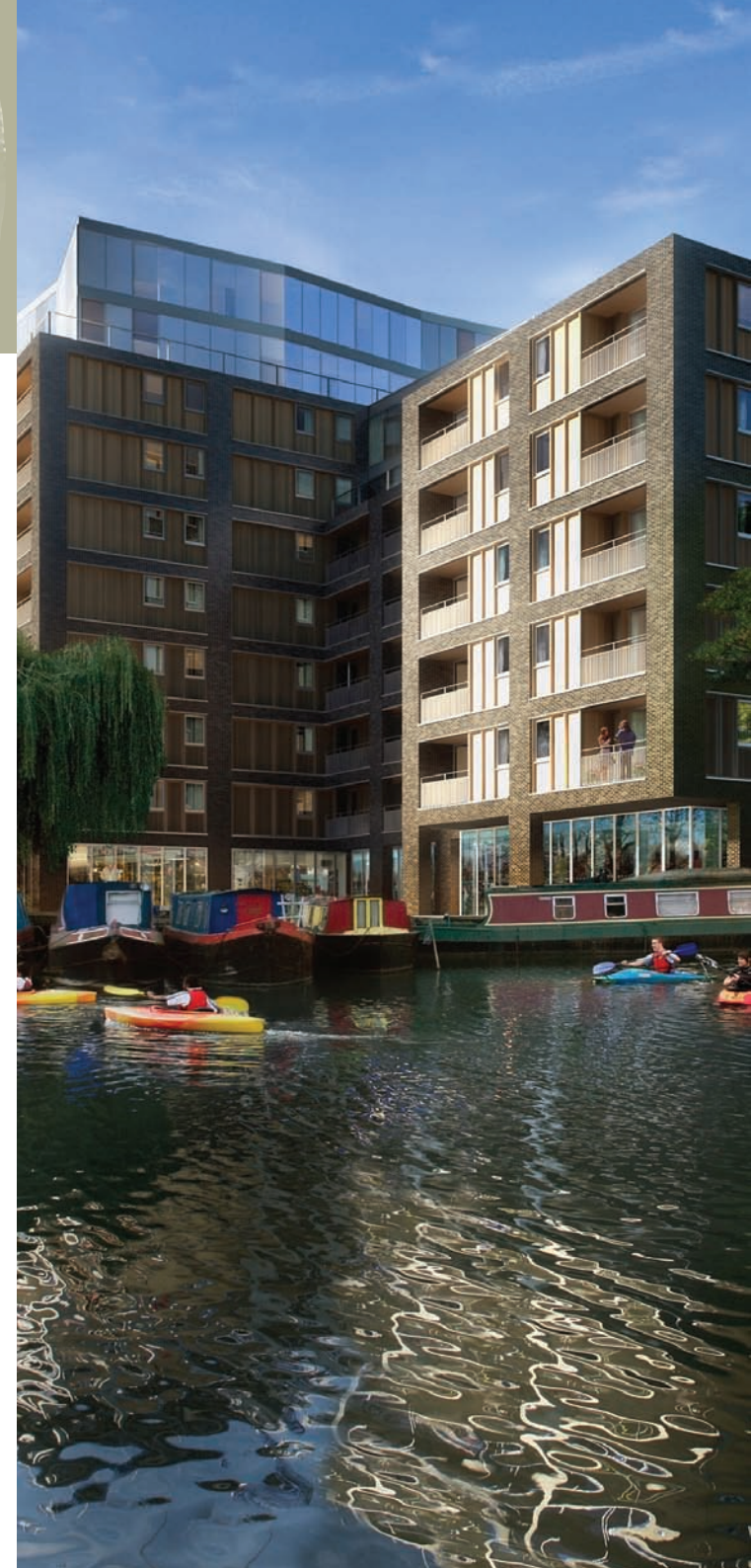
Throughout 2010, HBF also met regularly with Welsh Water to ensure the issues we are facing with water infrastructure and sewerage capacity are dealt with appropriately. Both HBF and Welsh Water are committed to continuing this working relationship into 2011 and beyond.

Local Planning Agenda

The Local Development Plan (LDP) process is proving to be particularly difficult in Wales. HBF has made strong representations to WAG Ministers for major changes to be made to make the process more equitable and inclusive. HBF has also taken part in all recent LDP Examinations across the Principality. We will continue to play a major role within the process going forward, to ensure the policies proposed take full account of the industry's requirements.

Review of the Development Planning System

HBF played a key part in the WAG Sustainability Committee's review of the planning system, providing both oral and written evidence to the Committee. The review has now been completed and we have been assured that the process will carry sufficient weight to enact the necessary changes to ensure the development planning system in Wales is updated and improved.



2010 media

A headshot of Dr. David J. Nisbet, a man with short brown hair, smiling. He is wearing a dark suit jacket over a light purple shirt. The background is a plain, light-colored wall.



new homes marketing board

David Bryant New Homes Marketing Board Chairman

The wider economic conditions prevalent throughout 2010 saw a continued restriction on mortgage supply, and so on consumer's ability to buy a home. Throughout the year, the NHMB therefore focussed on ensuring new build homes maximised their share of a constrained housing market. It also looked to promote the interests of first time buyers, who were particularly impacted by the lack of mortgage availability. In addition, with the new localism based planning system that was being introduced by the Coalition Government after its election in May, the NHMB also looked to promote messages around how new development can be beneficial for a community.

The main focus of activity was New Homes Month, that the NHMB successfully rolled out across the country in September, timed to coincide with the traditionally important Autumn selling season. The NHMB provided marketing material to around 2000 sites across the country that

partook in the initiative, including a glossy 16 page newspaper for members to hand out to potential customers on site.

The public facing campaign focussed on a range of messages aimed at achieving the stated objectives of the NHMB. This was done primarily through the local media and on-line. It resulted in hundreds of positive articles about new homes appearing in print and on the web sites of numerous media outlets up and down the country. The campaign also saw the start of a link up between NHMB and the British Home Awards. This saw the Daily Telegraph, that covers the awards, carry a New Homes Month supplement in September, and will see the NHMB featuring in future BHA coverage.

In addition to New Homes Month, the NHMB also undertook two YouGov surveys that were used, though the media to demonstrate the benefits of homes ownership and the need for more new homes.

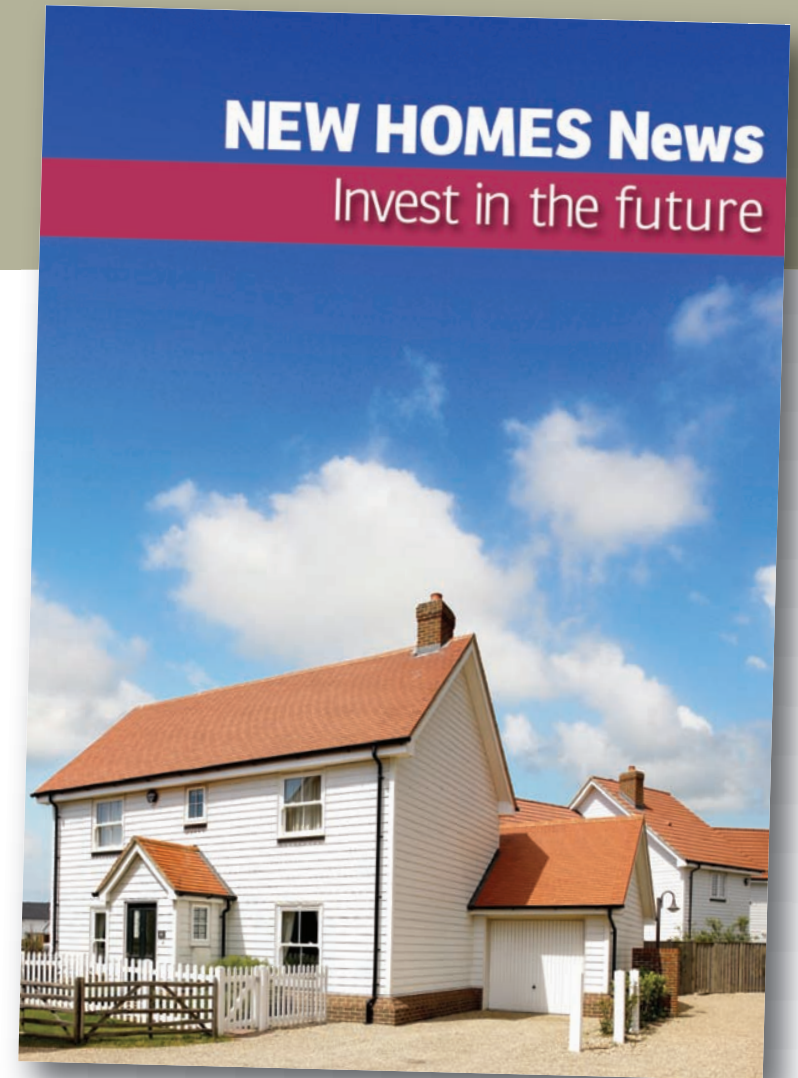
In December it was announced that David Pretty, one of housebuilding's best-known figures, was to retire after four years at the helm of the NHMB. His time in charge coincided with a particularly difficult time for the industry but it never dampened his enthusiasm to campaign tirelessly on behalf of homebuilders and buyers. In particular, he worked ceaselessly to highlight the difficulties faced by a 'lost generation' of first time buyers.

It was subsequently announced that David Bryant, who retired from Persimmon in 2009 after 25 years, more than 18 of which were spent as a main board director, would replace him. David Bryant has been on the NHMB Committee for four years.



new homes
marketing board

www.new-homes.co.uk



“NHMB’s New Homes Month was rolled out across the country in September, timed to coincide with the traditionally important Autumn selling season”



housebuilder media

Ben Roskrow Publishing Director, Housebuilder Media

Housebuilder Media continued to lead the way in providing the housebuilding industry with business useful information and networking opportunities through 2010, and saw revenues improving across the board.

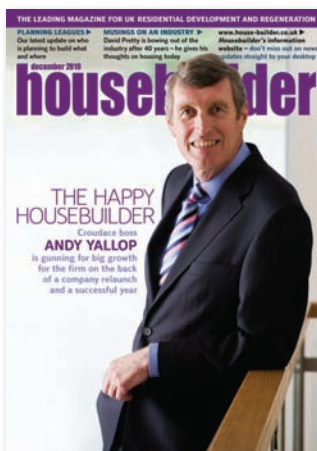
The core of the business, *Housebuilder* magazine, continued to deliver its unrivalled coverage of the many issues affecting industry. The magazine analysed key developments in the industry, including the impact of the general election, the policies of the Coalition Government, proposed HCA standards and the road to zero carbon.

Housebuilder Media's important online presence continued to grow, with its website www.house-builder.co.uk attracting more than 7,000 registered visitors to its variety of news, blogs, polls, jobs and event information. This led to the site attracting significant revenue for the first time in 2010.

The year proved a particular success for *Housebuilder's* events arm. The HBF Policy conference in March was a general election Question Time special attracting both the then Housing Minister John Healey and the Shadow Housing Minister Grant Shapps onto the platform to debate the key industry points. As ever the HBF Planning and Technical conferences were well attended and successfully delivered. In October the annual Housing Market Intelligence conference attracted a record number of delegates as the assembled line up of speakers tackled the many issues facing the industry. The *Housebuilder* Awards were sold out in the autumn with presenter Huw Edwards handing out the Housebuilder of the Year Award to Galliford Try.

HBM also organised the AGM for HBF as well as its Golf Day in the summer and the Ball in December – both the latter events were making a welcome return after three years.

“Housebuilder Media’s online presence continued to grow, with its website attracting more than 7,000 registered visitors to its variety of news, blogs, polls, jobs and event information”





2010 committees

Health and Safety Committee

The committee met four times throughout 2010. The meetings were held at different member company offices and are attended by HSE and NHBC representatives.

The meetings are chaired by elected members who sit for a two year term.

Internal sub groups are formed from the main committee to consider specific aspects of Health and Safety that have, or will have, a direct effect upon member companies operations. These groups then report back to the main committee. Members from the committee also work externally with other interested stakeholders/partners, including the HSE and CONIAC.

One of the important areas of work throughout the year was the collection of data on injuries reported in accordance with RIDDOR. The last annual report, which covered the year to December 2009, recorded no fatalities for contributing member companies. The report also enables us to highlight the more frequently occurring accidents on developments which aids the group in prioritising future work areas and the formulation of promotional campaigns for continuous improvement.

Health and Safety is embedded in everything we do. It is intended that all the work of this committee provides members with sound and practical guidance, particularly from sharing good practice and learning events, which they can then implement in their day to day activities.

David Hickman,
Health and Safety Committee Chairman

National Technical Committee

During 2010, the National Technical Committee met four times, with the eight Regional Technical Groups each meeting on three occasions. The Committee's agenda reflected the most prominent national issues covering a growing number of subject areas specific to housebuilding.

The work of the National Technical Committee is informed through the Regional Technical Groups. This remains a vital source for important feedback in addition to being an effective early warning system for emerging issues. This is a vital link in our communications. Part of our regional strategy has been to encourage more members to recognise the benefits of this approach.

When reflecting upon 2010 it is fair to say that we have witnessed an unprecedented number of consultations with a growing technical complexity. This has made us reconsider how we respond to the issues presented and indeed how we advise members. Establishing dedicated working parties to respond to consultations has proved quite successful and allows us to build on the intrinsic experience and knowledge of our members.

Throughout 2010 working groups were set up to look at and respond to the many consultations that were released. The Floods and Water Management Act 2010, the Code for Sustainable Homes and Building Regulation amendments are but three of many examples of dedicated working groups that have made such an effective contribution. Many committee members are involved in industry and Government advisory groups. The output from these groups allows us to be better informed, whilst feedback to the National Technical Committee allows us to keep members up to speed with emerging guidance and legislation.

I would therefore like to thank all members of the committee, and those who contribute to the regional technical meetings for the sterling support that they have offered throughout the year.

Steve Wielebski,
National Technical Committee Chairman

National Planning Committee

The HBF National Planning Committee met, as usual, three times in 2010 (albeit that the December meeting was deferred until January 2011 due to both poor weather and the later than expected publication of the Localism Bill).

Each of the meetings discussed in some detail the emerging changes to planning policy and practice. This began with discussions on the Conservatives' Policy Green Paper Open Source Planning in March and concluded with a detailed discussion around the contents of the Localism Bill at the end of the year.

In between these major policy changes the committee discussed a number of issues. These included; the implications of the revocation of regional strategies; their experiences of Local Authority attitudes to their requirement to maintain a five year housing land supply; the implementation of Community Infrastructure Levy; and other local requirements of developers such as validation of planning applications and the prospect of Local Authorities setting their own planning application fees.

The coming year will, no doubt, require the committee's views on the detail of making localism work as well as the proposed content of the National Planning Policy Framework. It is, therefore, essential that the membership of the committee continues to reflect the experiences of members around the country and I am always very grateful to the regional planning chairmen for their commitment to HBF and the wider industry in both their work locally and for the national planning committee. I am also pleased that the other members of the committee are so willing to give their time and considerable experience to HBF. It makes the work of HBF executives much more authoritative when Government knows that their comments and representations are based on the collective response of industry rather than just an individual's view of an issue.

Here's to a busy 2011.

Lee Bishop,
National Planning Committee Chairman

Careers, Skills and Training Committee

The Committee met three times during 2010 and continued to act as HBF's focus for influencing discussions on the main skills issues affecting the industry.

Following the downturn, the Committee has regularly monitored workforce trends and noted some rehiring of staff as the housing market improved from the second half of 2009 to the first half of 2010. In general, however, the climate has remained challenging and, as a result, training activity has been at reduced levels overall.

The Construction Industry Training Board (CITB) itself faced the need to make savings in its Grant Scheme during 2010 following a significant reduction in Levy income as the recession adversely affected output across the whole construction sector. The Committee played an important part in co-ordinating HBF views on where savings might be made to ensure as far as possible that these did not unduly affect house builders.

The Committee also provided input to an important study undertaken by the NHBC, the Zero Carbon Hub and ConstructionSkills. It looked at future skills requirements in housebuilding against the background of expected regulatory and other changes over the period to 2020. The study is now informing the creation of a new web portal providing information on training available to meet future needs.

In addition, the Committee has continued to discuss and provide guidance on existing activities including the Qualifying the Workforce initiative. Towards the end of the year the Committee held a brainstorming discussion to identify possible new skills initiatives to help the industry – including on meeting the new demands created by the Government's radical changes to the planning system.

John Slaughter,
Acting Careers, Skills and Training Committee Chairman

Retirement Housing Group

As there is now widespread recognition amongst national policy makers that housing provision must be made for the UK's ageing population, RHG focussed on a dialogue with key players at regional and sub-regional level through 2010.

When the Coalition Government announced that regional strategies were to be abolished the Group turned its attention to the sub-regional level, cascading down to local plans and housing assessments. The first two of several pilots are now underway in Kent and Greater London to deliver relevant joint statements/working documents/SPD policies in Local Development Documents. RHG is also developing its dialogue with professional bodies and lobbyists, including the Local Government Association and the Chartered Institute of Housing, to agree a common approach on matters of mutual interest.

RHG held two successful conferences in London and Leeds in 2010, which gave it a useful steer on future direction, and has responded to a number of consultations. Regular meetings, weekly news sheets and briefing notes continue to keep members informed about the economic and political framework within which RHG operates.

Gary Day,
Retirement Housing Group Chairman

HBF together with the NHBC has remained active in representing the industry's interests through our European trade association, the UEPC.

The main European issues of interest have again been chiefly in the environmental field. The most active topics have been connected with the wish of the European Commission, European Parliament and the Member States to reduce carbon emissions and to promote renewable energy. The Energy Performance of Buildings Directive and European plans to promote energy efficiency and renewables all connect with the work the HBF undertakes in the UK on zero carbon and sustainability. Vigilance to ensure that European discussions do not complicate or cut across the domestic policy agenda in this field is important.

The UEPC has also made useful inputs to European discussions on other issues including the new Construction Products Regulation, standards proposals and research on innovation.

Given the severe downturn in the property market in a number of European countries, the UEPC faced a challenging year in balancing requirements for representation against the resources available to it. The position was kept under review by the UEPC President and other senior members and at the end of the year it was agreed that the UEPC should undertake a trial alliance with its sister organisation the European Property Federation during 2011. The aim of this trial is to see if this form of collaboration would be a means of effectively increasing the housebuilding industry's lobbying power at European level in the current climate. If successful, this could lead in future to a full merger between the UEPC and the EPF.

John Slaughter

**HBF is represented on UEPC by Terry Roydon,
Mike Freshney and John Slaughter**



HBF Ltd Board



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Executive Chairman



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Tim Collins
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John Stewart
Director Economic Affairs

Dave Mitchell
Technical Director

Andrew Whitaker
Planning Director

Steve Turner
Head of Communications

Michael Powell
Finance Director

James Stevens
Strategic Planner for the Regions

Richard Price
Planning and Policy Adviser, Wales



finance and membership

Michael Powell Finance Director

The major initiative to increase membership referred to in the 2009 report proved highly successful and generated £116,000 of additional income to support the activities of the HBF. However, the revised basis for membership subscriptions introduced in 2009, which recognised the cost pressures within the housebuilding industry, coupled with the loss of a small number of members meant that the increase in our subscription income was limited to £88,000.

Despite further pressure on the cost base, costs for normal activities increased by only £40,000. This increase is largely explained by the recruitment of two new members of staff, one to enhance our external affairs capability and the second to replace a member of staff who was retiring; costs excluding these items rose in the year by only 0.4%.

On 11th May 2010, the Pension Protection Fund ("PPF") validated the section 120 notice which means that, based on the information provided, the scheme is eligible to enter an assessment period during which time all data held by the scheme will be reviewed for accuracy.

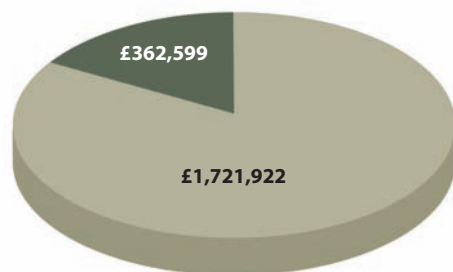
No significant costs for pensions advice were incurred during the year but the possibility remains of future costs.

2011 is likely to be another difficult year for the industry with little additional income expected from subscriptions, and thus in framing our plans for the coming year all areas of expenditure have been scrutinised in great detail. We will continue to ensure that the service provided to our members represents good value for money.

In spite of the difficult trading conditions being experienced by our members, it is pleasing to report that subscription renewals for 2011 have started extremely positively with more than 80% of the subscriptions due having been received during the first two months of the new financial year.

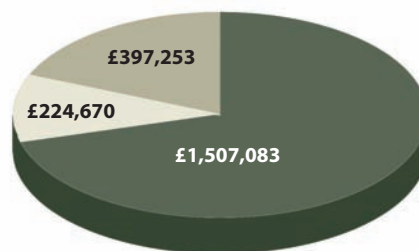
At the end of the year it was announced that Stanley Jackson, who had served as HBF finance director for five years, was to retire in January of 2011. He has been replaced by Mike Powell, who joins HBF having previously worked for housebuilders Redrow & Morris.

Extracted from the financial accounts for 2010



INCOME

Subscriptions	£1,721,922
Other	£362,599



EXPENDITURE

Corporate	£1,507,083
Planning	£224,670
External affairs	£397,253

INCOME	2010	2009	Incr / (Decr)
	£	£	
Subscriptions	1,721,922	1,703,767	18,155
Interest & Dividends	19,269	24,887	(5,618)
Other Membership Income	141,500	71,750	69,750
Management Charges	81,358	115,270	(33,912)
External Affairs Consultancy	60,200	60,000	200
Programme Contribution	65,000	65,000	0
Other Income	1,605	100	1,505
Events Programme			
Income	131,297	36,143	—
Expenditure	(137,630)	(52,678)	—
Net Income / (Expenditure)	(6,333)	(16,535)	10,202
Total	2,084,521	2,024,239	60,282

EXPENDITURE	2010	2009	Incr / (Decr)
	£	£	
Corporate Activity	1,427,083	1,407,610	19,473
External Affairs	397,253	384,819	12,434
Planning	224,670	216,736	7,934
Normal activities	2,049,006	2,009,165	39,841
Provisions	80,000	(60,000)	140,000
Pension Settlement	0	30,625	(30,625)
Office Relocation	0	(65,000)	65,000
Total	2,129,006	1,914,790	214,216

SURPLUS / (DEFICIT) BEFORE TAX	2010	2009	Incr/(Decr)
	£	£	
Income from normal activities	2,084,521	2,024,239	60,282
Expenditure on normal activities	(2,049,006)	(2,009,165)	(39,841)
Surplus from normal activities	35,515	15,074	20,441
Provisions	(80,000)	60,000	(140,000)
Pension Settlement	0	(30,625)	30,625
Office Relocation	0	65,000	(65,000)
(Deficit) / Surplus before tax	(44,485)	109,449	(153,934)



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