

**ANNUAL REPORT
2020 / 2021**



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INTRODUCTION

Producing this Annual Review has been a reminder of just how extraordinarily challenging, busy, and unpredictable 2020 was.

When I issued my first Chairman's Update of the year in January, concerns over coronavirus were growing but I don't think any of us fully foresaw or appreciated the extensive impact the outbreak would have on the way we work, live and communicate.

Change was a key feature of 2020 and as a result of the first national lockdown, we saw many of our plans and priorities for the first part of the year completely turned on their head as attentions turned to establishing new ways of working that would allow home building to continue while respecting social distancing requirements.

I address HBF and the industry's response to the pandemic in detail in the policy section below but it's worth reiterating that despite the difficulties we've all experienced this year, there is also lots to celebrate, particularly the industry's ability to innovate, adapt and focus in the face of extreme adversity.

As 2021 has progressed we have seen a return to a level of normality, one we must hope continues.

Coronavirus, Brexit and general economic uncertainty aside, the environment continues to dominate the political agenda following the publication of the Government's Ten Point Plan for a green industrial revolution and a new target to reduce greenhouse gas emissions by at least 68% by the end of the decade. Home building has a significant role to play in these ambitions and you can read more about our work we carried out in 2020 in this area, and that of the Future Homes Task Force later in this report.

The repercussions from the terrible tragedy at Grenfell Tower are another area that continued to develop through 2020 and will continue to do so for many years. The Building Safety Bill, that continues its passage through the legislative process, will require significant change for our industry whilst the proposals for levies in the industry need to be considered carefully alongside the increasing regulatory costs associated with development and the ambition to address our housing crisis.

The transition to the new Help to Buy scheme continued to be a significant area of focus for us. HBF worked closely with Homes England to try and resolve several areas of concern regarding the new conditions for the scheme set out in the developer guidance, including wording around building regulations and the requirement for developers to evidence discharge of planning conditions to buyers' solicitors. I am pleased that these issues were resolved, and further information can be found in the policy section.



On quality, I am delighted that we are starting to see proposals to implement a New Homes Ombudsman Service (NHOS), in line with Government requirements, come to fruition. May 2020 saw the launch of the independent (interim) New Homes Quality Board (NHQB), chaired by Natalie Elphicke. Through the year and since significant progress has been made and the proposals are nearing fruition. I firmly believe that in the long term, these measures will lead to huge benefits in terms of the industry's reputation, its ability to sell its homes to customers and most importantly, the enhanced protections we can offer purchasers.

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 next year. Planning, skills, building safety, technical, leasehold reform, design, diversity and inclusion, nitrates, 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.

2021 will be another challenging year but if 2020 has taught me anything it is that by working together, we can continue to overcome all of the obstacles that head our way, however tough they may be.

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 an extremely challenging year.

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 Stewart Baseley, John Slaughter, Terry Roydon and Mike Freshney. We are currently reviewing the basis for our future involvement in the light of Brexit.

“
2021 will be another challenging year but if 2020 has taught me anything it is that by working together, we can continue to overcome all of the obstacles that head our way.”

Stewart Baseley,
Executive chairman

MEET THE TEAM

As with many organisations, changes to personnel at HBF through the pandemic were minimal, we welcomed Laura Markus to the team as Policy & Public Affairs Advisor during the year.

Stewart Baseley,
Executive chairman

Neil Jefferson,
Managing director

Mark Behrendt,
Planning manager (London & Southern)

Sara Cartin,
Manager, Skills Partnership

Claire Coward,
Campaign & communications officer

Sue Green,
Planning manager (Midlands & South West)

Joanne Harding,
Planning manager (North East/West & Yorkshire)

Mark Harris,
Planning & policy advisor for Wales

Jenny Herdman,
Director, Skills Partnership

Tracey Hill,
Project & contract manager, Skills Partnership

Razia Iqbal,
Senior bookkeeper

Laura Markus,
Policy & Public Affairs Advisor

Marian Macdonald,
Office manager & pa

Rachel Myers,
Membership manager

David O'Leary,
Policy director

Emeline Serex,
Executive assistant

Freya Scott,
Technical administrator

Deena Shaw,
Project coordinator, 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



Housebuilder Awards, November 2020

Ben Roskrow, Publishing Director, Housebuilder Media
Stewart Baseley, Executive chairman, HBF

POLICY ACTIVITIES

CORONAVIRUS

The coronavirus pandemic of course took up a considerable amount of energy and focus last year,

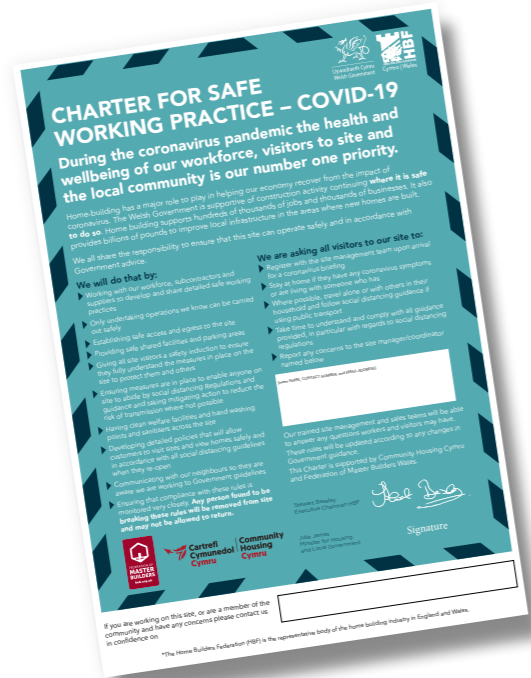
When the Prime Minister announced the first national lockdown back in March, we reacted swiftly with members to protect the safety of the home building workforce and the local communities in which it builds.

You will recall that while the Government encouraged the construction sector to continue activity even during the most restrictive period of the first lockdown, the practical difficulties of doing so safely, combined with disruption in the supply chain and a desire to ensure that our staff, sub-contractors and customers were safe led to much of the industry effectively downing tools.

However, we were determined to get home builders back on site as quickly as possible and so through working with our members and the Ministry of Housing, Communities and Local Government (MHCLG), we were able to produce the Charter for Safe Working Practice. This enabled home building sites to reopen in line with social distancing guidelines and Public Health England Guidance. The Charter also complements the individual protocols many members had already introduced as well as the Site Operating Procedures designed by the Construction Leadership Council (CLC).

As such, the industry could continue to provide much needed additions to housing supply and play its part in the country's economic recovery while also protecting the health and safety of the home building workforce, visitors to site and the local community.

The first few months of the pandemic were particularly challenging, in part due to the pace at which the situation would change on a regular basis. Throughout, HBF has been determined to assist its members however it could, including by helping the industry to navigate and access the Government's economic support measures such as the Coronavirus Job Retention Scheme (CJRS) and the Coronavirus Business Interruption Loan Scheme (CBILS).



Of course, these were not the only issues that we dealt with during the initial stages of the pandemic. By working in collaboration with our members, ministers and officials we were able to achieve the following:

- An extension to the practical completion deadline for homes being purchased under the current Help to Buy scheme
- Extensions to extant planning permissions
- Temporary extension to construction working hours
- Reopening of the sales market in May
- Development of Covid compliant sales and marketing procedures guidance
- We also successfully coordinated an industry wide PPE4NHS Campaign which donated thousands of pieces of protective gear to health care professionals on the front line.

These achievements are testament to the productive and communicative relationship we share with our members, and HBF would like to take this opportunity to thank each of you for your ongoing engagement and support.

After a summer during which life felt almost normal, we soon found ourselves back in another national lockdown in November. While concerning, there were many reasons for us to be more positive the second time around, particularly as the housing market was permitted to remain open from the outset unlike during the first lockdown. We were delighted that following conversations between HBF and MHCLG we were able to publish a joint communique with the Ministry which confirmed that along with house building, activity relating to the buying, selling and renting of a home could continue in accordance with health and safety measures and public health guidance.

2021 has seen some light at the end of the tunnel and a return to some levels of normality and the ending of restrictions saw companies able to introduce measures that best suited themselves and their customers as opposed to having to rigidly adhere to the charter, While we've no doubt that coronavirus will continue to throw challenges our way for some time yet, it is positive that we've been able to keep the housing market moving and get on with the business of delivering much needed further increases to the UK's housing supply. This will stand us in good stead for the weeks and months ahead.

Whilst coronavirus prevented us from meeting face to face since March 2020, we endeavoured to keep members up to date and adapted our communication channels to suit the circumstances. This included;

- Regular member meetings on Teams/Zoom
- The introduction of the Coronavirus Briefing email, initially daily
- The coronavirus resource page on the HBF website
- Supplementary briefings on policy issues of key significance
- Webinars and online conferences
- The Weekly News Summary and Chairman's Update



POLICY ACTIVITIES

HELP TO BUY

2020 was always expected to be a busy and important year for the operation of the Help to Buy scheme with the close out of the 2013-21 scheme, and the final detail and implementation of the 2021-23 scheme to be determined.

Help to Buy agent performance

Following Homes England's decision to move from an eight agent Help to Buy network to three contracted agents which took place at the beginning of the year, it quickly became apparent that the agent responsible for transactions in the south of England was struggling to perform to the necessary standards. Following the re-opening of the sales market in May and the subsequent surge in activity along with a retrenchment in the mortgage market, the agent performance began to show further signs of stress. HBF monitored progress very closely and sought to work with Homes England and with members to improve communication and understanding, including through the improvement of information flows and form submissions.

Extension of Help to Buy practical completion deadlines

Since the transitional arrangements for Help to Buy were first discussed in early 2019, HBF has been highlighting concerns about the impact of the unnecessarily early build completion deadlines built into the original Help to Buy contract. At the time attention was focused on the effect this could have on completions profiles and

housing supply numbers. When coronavirus began to disrupt the lives and livelihoods of people in the UK and construction slowed to a halt, attention quickly turned to the consequences of this arbitrary 'longstop' date for builders and buyers.

Working with members, HBF compiled evidence of the impact and collated pertinent case studies, engaging Government, politicians, and media to emphasise the real-life impact. After several months in which we made repeated representations at a range of levels, Government confirmed that the practical completion longstop deadlines would be extended.

New scheme detail

Following initial outline discussions with Government and Homes England around the conditionality and criteria for the new Help to Buy 2021-23 scheme during late 2019 and early 2020, Government communication on this matter receded during the spring. In the early autumn, Homes England published scheme details, including contractual documents and developer guidance. HBF quickly raised serious concerns with certain aspects of the new scheme rules which, we argued, presented doubts as to the workability of the 2021-23 offering.

Our concerns included the fact that Homes England were including all building regulations components with vague requirements of compliance with '2020 regulations' that could prove difficult for developers to evidence. We were also worried about the apparent inability for homes on developments built by builders under building licences to qualify for Help to Buy, contradicting some of the placemaking principles espoused by ministers and

advisers. Both of these issues were resolved with special arrangements now in place for schemes built through building licences and greater specificity with regards to building regulations, requiring energy efficiency (Part L) 2013 compliance, eliminating the threat that a new version of Part L would be introduced in 2021 and necessitate an overnight change of materials and design.

However, our challenges in relation to planning conditions requirements took far longer to resolve and needed extensive negotiations. Upon initial publication, Homes England's requirements would have seen developers required to provide evidence of planning condition discharge for all pre-commencement and pre-occupation conditions to all buyers' conveyancing solicitors. This threatened major delays to transactions and to embroil customers in often tortuous planning condition discharge discussions. In mid-November, HBF entered into negotiations with Homes England to explore the feasibility of reaching a compromise position. To signal that change was on the way and to demonstrate the constructive approach being adopted, in mid-November Homes England added a note to developers on its website confirming that they would be working with HBF to review the planning conditions clause.

After many conversations, proposals and counter-proposals, we were pleased to reach a compromise position with Homes England that allowed builders to provide buyers and Homes England with an indemnity providing assurances that conditions have been or will be met where evidence of discharge is not possible to be evidenced.

The subsequent re-launch of the scheme in 2021 has proved successful and is continuing to support sales of new build homes to first time buyers.



NEW BUILD MORTGAGE SUPPORT INTERVENTIONS

The coronavirus crisis quickly brought into sharp focus the importance of creating a more sustainable long-term mortgage market for new build homebuyers. Proactive work on the exploration of new build mortgage support options largely paused during early spring 2020 as member attention was diverted elsewhere, but HBF interest was maintained and kickstarted again in earnest during the summer.

HBF has supported Market Mortgage to gain traction with mortgage lenders with its proposition for top-up mortgage financing and in addition we brought together 17 of the larger member companies to sponsor the work of Gallagher Re to explore the concept of a private mortgage guarantee product – which has eventually morphed into the 'Deposit Unlock' scheme.

Progress on developing the Gallagher Re insurance-backed mortgage guarantee product accelerated through the year such that a pilot was launched in the North East in Q1 of 2021 with the Newcastle Building Society in advance of a wider national roll out. This will see participating builders provide assistance to their homebuyers, allowing them to access 95% Loan-to-Value mortgages.

Reception from lenders has been very positive. While the lenders currently involved in the Government's Mortgage Guarantee Scheme are realistically unable to join Deposit Unlock, progress with others has continued apace and we expect to have significant volume lenders engaged before the end of 2021.



With the Mortgage Guarantee Scheme scheduled to come to a close in a little over a year (if not earlier), we are also beginning to explore options for on-boarding for lenders currently involved in the Government initiative too.

More generally, in October, HBF hosted an online session for a number of organisations with post-Help to Buy new build sales/purchase propositions to present their ideas to members with involvement from around 60 home builders. This included Gallagher Re, the scheme managers for Deposit Unlock and Market Mortgage, but also Heylo and Propportunity among others.

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.

POLICY ACTIVITIES

ENVIRONMENT

Housing and Environment Summits

Work to develop an environmental strategy and delivery plan for the industry was a priority area of activity during 2020.

At the start of the year, we held our first Housing and Environment Summit involving senior members and a wide range of external stakeholders, including Government and regulators, manufacturers, the energy and water sectors and NGOs. The Summit was addressed by Lord Deben, the Chairman of the Climate Change Committee, who set out the challenges ahead.

It proved very successful in engaging the wide constituency home building needs to work with in tackling environmental issues and secured support for the development of a shared delivery plan founded on the principle of collaboration between all those involved.

Progress was inevitably slowed by the pandemic but picked up strongly again from the summer onward, supported by a second Summit in September which reconfirmed commitments to joint working on an environmental roadmap for housing (further information can be found in the update below on the Future Homes Task Force).

Throughout the year we have been working on the wider environmental agenda with the Broadway Initiative, an independent body representing a wide range of business sectors, which seeks to secure business-friendly means to advance environmental objectives.

Future Homes Task Force

To oversee and guide HBF's environmental work, in the autumn we established the Future Homes Task Force with representation from senior HBF members and all the other main stakeholders involved, including Government and regulators.

The Task Force's report was publicly launched in Summer of 2021, recommending a roadmap for delivering its proposed commitments and actions needed to achieve the industry's appropriate contribution to meeting Net Zero and other national environmental objectives. It also made proposals to establish an independent body to oversee future work and this is now being set up.

Future Homes Standard

Following the closure of the Building Regulations consultation on Approved Document Part L/F in February of 2020, the industry still awaits the final details for the 2021 uplift in requirements from Government, including whether the full Fabric Energy Efficiency Standard (FEES) specification will be applied. This uplift is intended to form the interim step before the introduction of the Future Homes Standard in 2025.

There was speculation about whether the introduction of the Future Homes Standard will be brought forward to 2023, including a government commitment which was subsequently retracted. The Government's Energy White Paper, published in December, simply stated it will introduce the Future Homes Standard "as soon as possible". As such, we are still working to the 2025 date.

The results of the further consultation launched in early 2021 on overheating and FEES are still awaited.

Environment Bill

Working with the Broadway Initiative, we have been involved in discussions with Defra and other departments and their relevant Ministers to seek improvements to the provisions of the current Environment Bill, which will introduce new legally binding environmental targets on biodiversity net gain, resource efficiency, water and air quality. This work has also helped inform the development of our environmental roadmap



POLICY ACTIVITIES

QUALITY

Throughout the year one of HBF's major focuses has been the continued development of proposals with regards to putting in place a New Homes Ombudsman Service (NHOS), something Government is committed to seeing introduced. It is an area we have been working on since 2016 with the ambition being to deliver on this commitment to put in place a service that drives up quality and strengthens consumer redress, in a way that is workable for industry. In 2019 we had appointed Natalie Elphicke as the independent New Homes Quality Champion to lead on this work and she has overseen significant progress through the year.

In May, the interim New Homes Quality Board (NHQB) was launched, with representatives from across the sector including warranty providers, lenders, consumers groups and plus a small, medium and large house builder. The NHQB will be the independent body that oversees the new arrangements and appoints a NHOS. The NHQB was then constituted as a legal entity at the start of 2021 and a process to procure the services of an ombudsman service is well underway. At the centre of the proposed arrangements is a new industry code of practice that will replace the existing Consumer Codes. A consultation was carried out on the draft in 2021 and a final version will be available for industry in Q3 of 2021. The main difference in the new code is that it covers years one and two of occupation, including snagging issues, and requires builders to deal with any issues in a timely manner and have an effective complaints process in place, that delivers within set timescales.



The intention is that builders will register with the NHQB towards the end of 2021 and the new arrangements will come into force in 2022, after which there will be a transition period for builders to sign up. We expect Government to use the Building Safety Bill legislation, with which the new arrangements align, to make it a requirement for builders to be registered, and the Help to Buy scheme also requires participating builders to do so.

One of the pre-requisites from Government was the inclusion in the new code for customers to be able to take out a pre-completion inspection on their property and in a parallel piece of work, we have thus been working with RICS and the Residential Property Surveyors Association to design a template pre-completion inspection.

All of this work has been a long time in development, but the progress made during 2020 was significant and we are now approaching the point where it can start to be implemented. Whilst there will be some challenges for builders as they make the necessary changes within their businesses to meet the new requirements, HBF's work should ensure they are deliverable; and once in place they will position the industry and its product much more strongly with consumers and other audiences including Government. We will continue to keep members abreast of developments.

Customer satisfaction survey

In March we published our annual industry customer satisfaction survey-based star rating results. For a third year in a row the industry scores showed an improvement with 89% of new home buyers saying they would 'recommend their builder to a friend' up 2% on last year and 5% in the past three – a period over which housing supply has continued to increase significantly. The scores reflect the huge industry focus on build quality and customer service over recent years, and it must be hoped that the imminent appointment of a New Homes Ombudsman Service will lead to further improvements in the years ahead.

Throughout the pandemic we kept a close eye on the scores to determine if the fact builders did not have staff on site, and so would not be able to provide the post occupation services they ordinarily would, would affect the survey scores. We were very pleased to note that there was no discernible impact on scores as a result of the communications builders had with their customers and the mitigation measures that were put in place.

Through the year we published our quarterly survey percentage scores for participants. The reporting series is now an established barometer of industry performance for a range of audiences, including increasingly city analysts.

A review of the survey is currently being undertaken by Ipsos Mori the recommendations from which will be published later in 2021 and suggested changes implemented.

LEASEHOLD REFORM

CMA

The Competition and Markets Authority (CMA) opened an investigation into the leasehold housing market in 2019. An update report was published in February 2020 which outlined some initial findings.

Following the publication of the report, HBF had concerns about several of the points raised which would have had ramifications for the home building industry and so we engaged Euclid Law to assist us with drafting a response to the CMA's report. Following conversations with both members and the CMA, we finalised our response and submitted it in June.

It focused on industry-wide issues rather than company-specific considerations with particular attention on the following three areas:

- The role of reservation agreements in the new home buying process
- The use of Retail Price Index as an escalator for ground rents
- The practice of providing buyers with a list of solicitors

On the back of this letter, we were invited to present to CMA on our perspectives in a virtual meeting in July. Following our engagement, it seems that the CMA has altered its approach to the status of reservation agreements. The Update Report had inferred that the Authority considered the reservation agreement to be the point of sale, but the CMA has since accepted our argument that this does not occur until exchange.

Enforcement

In the Autumn the Competition and Markets Authority (CMA) announced that it was opening enforcement cases against four developers regarding specific, individual issues. In response, HBF issued a statement to the media which said: "The industry has demonstrated a commitment to address the issues around leasehold property sales. We will continue to engage with and assist the CMA as they continue their investigation".

Law Commission: Commonhold reform

In early Summer, the Law Commission published three reports on the future of home ownership with recommendations that it claims will benefit millions of leaseholders and 'reinvigorate commonhold' as a viable successor tenure to leasehold ownership for flats.

The trio of reports on commonhold; leasehold enfranchisement and freehold acquisition and the Right to Manage (RTM) are set out over a combined total of almost 2,000-pages detailing almost 250

recommendations across these subjects. A summary of some of the discussion points and recommendations included in the reports can be found below with primary focus on the commonhold proposals.

The depth, breadth and complexity of the reports, particularly the report on commonhold reform, illustrates the enormity of the challenge that Government will have to grapple with should ministers decide to accept the entirety of the Law Commission's recommendations. The Law Commission decided on this occasion not to publish a draft Bill alongside its reports. If the Government wishes to take forward the recommendations proposed by the Law Commission, it will require primary legislation.

In its 'at a glance' guide to its recommendations, the Law Commission states that for owners of future homes: houses will also be sold on a freehold basis except in exceptional circumstances, and flats will either:

- Be sold on a commonhold basis if Government bans leasehold and/or requires commonhold to be used;
- Be sold either commonhold or leasehold if Government seeks to incentivise commonhold but does not go as far as to ban the sale of new leasehold flats
- Continue to be sold on a leasehold basis if Government takes no action to incentivise the use of commonhold

A more detailed summary of the recommendations can be found in this briefing.

POLICY ACTIVITIES

Legislation

The Government is yet to bring forward its proposed legislation that would prohibit the sale of new leasehold houses and reduce ground rents to zero on new leases. When the Housing Minister, Chris Pincher, was questioned about this in the House of Commons on 20 July, he said a Bill will be brought forwards “when Parliamentary time allows”. In recent weeks we have picked up discussions with officials on leasehold and commonhold reform, exploring the issues raised by the Law Commission’s report. This work is likely to gather pace early in 2021.

Commonhold

HBF has supported Government and the sector’s aims of reforming commonhold to make it a viable alternative to leasehold. We have done this via involvement in MHCLG’s Commonhold Council and via a number of roundtables and informal sessions organised by HBF with officials and ministers, along with members.

NUTRIENT POLLUTION OF WETLAND AREAS

During the course of the year the issue of pollution of sensitive wetland areas from nutrients grew considerably. The issue came to the fore following the 2018 landmark legal judgement by the Court of Justice of the European Union and concerns the interpretation of the Habitats Directive and the need to ensure that the conservation status of a protected natural habitat is not compromised further by new development.

The result is that the issue of achieving nutrient neutrality has become a critical issue for Natural England and local authorities. Increasing numbers of areas of the country are now being caught by orders putting development on hold until schemes of mitigation are devised. The issue first came to attention in the Solent area last year but has spread quickly to other parts of the country including Somerset, Hereford, and Kent. In total it is now affecting over 30 local authorities and as a result has serious implications for national housing supply.

HBF is taking the issue very seriously. Through the year we engaged with Defra and MHCLG to develop a national approach to dealing with the issue; whilst locally, we worked with local authorities to encourage them to implement schemes of mitigation that will allow housing schemes in affected areas to proceed without further delay. We have also engaged with OFWAT as it is clear the most effective solution is to upgrade wastewater treatment works to capture nutrients before they enter watercourses. We have also made clear that housebuilding contributes negligible amounts compared to farming. We continue to engage closely with all stakeholders to find solutions to the issue.

SMEs

Throughout the year, HBF continued to champion the importance of SME developers and to draw attention to the challenges they face.

House of Lords Economic Affairs Committee

In February, we took part in a House of Lords Economic Affairs Committee session on ‘Should the UK build more homes?’ This cross-examination formed part of a short inquiry following up on the Committee’s 2016 report, Building More Homes. During the session, we made the case for further changes to the planning process to support smaller home builders to be competitive.

MHCLG/HBF roundtable

HBF also organised for a group of SME builders to attend a MHCLG/HBF roundtable at the Ministry in March to discuss challenges for small firms from across the country. This was a good opportunity for officials to hear directly from builders on the barriers to growth. The Department for Transport was also represented which was useful in aiding its understanding of the difficulties that builders are having with regards to highways design, construction and adoption, including the approach many local authorities are taking to bonds provision. Other items for discussion included planning, finance, land availability and the relative weakness of the secondary housing market.

HBF/Close Brothers Property Finance report

While the coronavirus pandemic has presented challenges for the entire home building industry, we know that these are often experienced most acutely by smaller developers. Therefore, in conjunction with development finance provider, Close Brothers Property Finance, HBF published a comprehensive survey of small and medium-sized home builders providing policymakers and those with an interest in the sector with clear insight into the outlook for SMEs in the industry and the challenges they face as a result of this extraordinary year. The survey confirmed that growth projections are down for two-thirds of SMEs and revealed the concerns around the impact of forthcoming regional Help to Buy price caps. A report summarising the findings is available on the HBF website. In the coming weeks, HBF, Close Bros and Travis Perkins will publish a follow up report using new survey work and in-depth focus groups with builders.

BREXIT

With the end of the transition period fast approaching, we introduced a new resource page outlining the main regulatory and policy changes that those in the home building industry should be aware of. The page covers the current guidance concerning immigration, tariffs, the Northern Ireland Protocol, data, and standards and regulations. The resource page also includes links to previous HBF briefings on the changing immigration system.

CONSTRUCTION LEADERSHIP COUNCIL (CLC)

We were invited to join the Construction Leadership Council’s Covid-19 Task Force which was set up in response to the pandemic. The Task Force met throughout the year and played an important part in bringing the construction and housing sectors together to work on the challenges created by the crisis, including the formulation of the Site Operating Procedures for the industry.

The crisis strengthened the appetite for collaborative working on issues of common interest and as part of a wider CLC restructuring we were asked to lead a new CLC Housing Working Group. This is now meeting regularly and bringing a range of bodies together to agree joint approaches on issues including planning reform, skills, the business climate for SMEs and digital change.

Via the CLC we also participated in a new structured dialogue with suppliers, manufacturers and builders’ merchants on product supply and materials availability - which continues to be an area of concern for members following the pandemic and exit from the EU.

RETIREMENT HOUSING

The Retirement Home Builders Group continued to provide a forum for the discussion of policy and other issues affecting the climate for specialist retirement development. Planning issues were the main focus for the Group during the year and the Group made its own submissions to the MHCLG consultations on changes to the existing planning system and on the Planning White Paper during the autumn. The Group also took part in a roundtable with the Housing and Planning Minister on the White Paper proposals.

Existing dialogue with the Government on leasehold reform took on a new urgency when Ministers changed policy in January 2021 to no longer exempt retirement housing from ending ground rents in new development.

In addition, we continued to work with the main specialist retirement developers on the Homes for Later Living campaign. The campaign has commissioned three pieces of research setting out the wider benefits of retirement housing on respectively:

- The health and wellbeing benefits of retirement housing for older people and the consequent savings for the NHS.
- The positive impact that older people moving to retirement housing has in stimulating transactions in the rest of the market, helping younger buyers, and;
- The local economic benefits in terms of high street spending and jobs produced by retirement development.

POLICY ACTIVITIES

AFFORDABLE HOUSING

HBF took part in the Affordable Housing Commission chaired by Lord Best and funded by the Nationwide Foundation. The Commission's report was published in the spring and recommended a rebalancing of the housing system to provide affordable housing opportunities across all tenures, backed by the adoption of a new definition and measure of housing affordability relating to the proportion of peoples' incomes spent on housing costs and their circumstances. We also took part in a number of events to promote the findings of the Commission.

BUDGET AND SPENDING REVIEW REPRESENTATIONS

As ever we made representations on behalf of the industry ahead of the Budget and Spending Review. Our Budget submission explored five key barriers to reaching 300,000 net additions per year during this parliament:

1. Planning process inefficiency
2. Uncertainty around impact of Help to Buy changes
3. Sluggishness of the secondary housing market
4. Policy and regulatory changes, particularly around environmental issues
5. Skills and industry capacity

And made recommendations focused on:

- Planning and finance measures to assist SMEs
- Help to Buy price cap review
- SDLT impact review
- Support for industry plans to enhance the energy efficiency and environmental credentials of new build homes
- Reform of the further education structure and funding

Our Spending Review submission reflected on the successes of the Help to Buy scheme and the Stamp Duty holiday, and the broad range of economic benefits derived from housing market activity. We also promoted the need for more support for the development finance terms available to SME builders and requested an early assessment of the impact that Help to Buy regional price caps will make as part of a wider ask for a review of the importance for housing supply of mortgage finance availability amidst ongoing contraction of loan-to-values.

DIVERSITY AND INCLUSION

HBF's Diversity and Inclusion Group held three meetings through year. A range of issues were discussed including flexible and agile working, the impact of the coronavirus pandemic, race at work and LGBT+ employee networks. Further information on the background and purpose of the Group is available [here](#).



PLANNING

PLANNING IN A PANDEMIC

Emergency planning legislation following the outbreak of Coronavirus focussed very much on keeping the system going rather than specifically helping the development industry. Planning processes were not designed to work remotely with most local authorities having no legal ability to hold Council meetings online or allow digital consultation on local plans or planning applications. The prorogation of Parliament very early on in the lockdown period left very little time for emergency legislation. Thus, it was not until Parliament returned in June that we were able to secure automatic extensions to expiry of planning permissions and a new, simple, way to extend site working hours through the Business and Planning Act. This scenario was, perhaps, one of the drivers for proposing radical planning reform in the planning White Paper, particularly around the use of digital technology.

CHANGES TO THE CURRENT PLANNING SYSTEM

The Autumn of 2020 saw the publication of two major consultations regarding the planning system. The first concerned changes to the current planning system while the long-awaited planning White Paper – Planning for the Future, set out a bold vision of change, cited by the Prime Minister as “the most radical planning change since the second World War.” As ever with Government consultations, the response of HBF was led by our

members. Discussions took place at national and regional level to ensure our responses took account of the wide-ranging opinions and views regarding the proposals.

The proposal that caught the headlines was the one with regards to potential changes to the standard methodology for calculating housing needs. In a move away from household projections to include existing stock figures in the calculation, the Government gave clear commitment to its stated aim of ensuring the delivery of 300,000 dwellings per year before the end of this Parliament. However, the new methodology sent shockwaves throughout the south of England as target figures increased substantially.

Our response to the new methodology did suggest a “tweak” to cap what we believed to be undeliverable high figures in London and increase figures in the north of England to support the economic growth aspirations of the northern powerhouse. However, in December 2020, the Government published part of its response to the consultation confirming it would not proceed with the specific changes to the standard method that were consulted on. Instead, it “will proceed with a reformed standard method which reflects our commitment to levelling up and enables regeneration and renewal of our urban areas”. Little did we know that this would result in the government continuing to use the old dataset of household projections from 2016 and allocate a seemingly arbitrary “uplift” of 35% in household requirement to the Top 20 urban areas in the country. This move stunned both public and private sector commentators and will, surely, need to be revisited as part of the wider planning reforms.

The Government also used the consultation on changes to the current planning system to confirm its intention to introduce a mandatory requirement for First Homes – a discounted (30%) market sale tenure – as part of all on-site affordable housing provision secured through the planning process. The scheme was officially announced in August of 2020 but there are still a number of technical details regarding implementation to be ironed out with mandatory requirements for First Homes unlikely until the middle of 2021, more detail can be found in this briefing Details regarding the delivery of First Homes also formed part of a new Government consultation on changes to the planning system to which HBF responded.

As a Covid-19 recovery measure, the Government also proposed to increase the threshold above which affordable housing will not be required. Designed to specifically help SMEs, the proposal is to raise the current 10-unit threshold to 40 or 50 units and will be a temporary measure, lasting 18 months. However, given the strength of the housing market through the pandemic, this provision was never implemented.

PLANNING

PLANNING FOR THE FUTURE

With regards to the Planning White Paper, given its long gestation period it was, perhaps, a little disappointing that it contained many proposals but very little detail. Described by many as “the greenest White Paper” ever published, even the Ministers and officials acknowledge that there is a great deal of work still to be done before any primary legislation can be laid before Parliament. Once again, HBF discussed our response to the consultation at all of our member meetings around the country, resulting in a generally positive response to the majority of the proposals.

However, as is often the case with changes to the planning process, the elephant in the room remains local authority resources and culture. The response from local councillors and MPs to the changes to the housing need figures suggests that there will also be considerable resistance to making the planning process more efficient. Many of the 44,000 responses to the White Paper consultation have criticised the proposals for seeking to “bypass democracy” but, in truth, they are merely lamenting the proposed removal of the “many bites of the cherry” that objectors to new housing currently have at both the development plan stage and again when a planning application is made. Our mantra for the planning process of the future is “do it once, do it right” and many of the proposals in the White Paper respond to this way of thinking.

There is, of course, a long way to go. We are expecting 2021 to be a year of discussion regarding the White Paper proposals with a Planning Bill produced towards the end of the year.

DESIGN

Some of the proposals in the Planning White Paper have already taken their first steps to implementation. In September, the Government announced that Nicholas Boys-Smith, the co-chairman of the Building Better, Building Beautiful Commission, would set up and lead a new design body that would assist local planning authorities in implementing the recommendations of the Commission’s final report published way back in January. Subsequent announcements of members for the new body include HBF Board Member Stephen Stone, former CEO of Crest Nicholson, now Chairman of Keepmoat Homes. The Government’s own National Design Code, enabling local authorities to prepare their own local design codes, was considerably delayed but was finally published early in 2021.

LOCAL PLAN SUMMARY

Our work in the regions continued throughout an extraordinary year. Our team of local plan managers continue to liaise with HBF members around the country to ensure that plans deliver enough developable sites to meet housing needs. However, it has been a year like no other. Many local authorities stopped work on their emerging plans citing consultation process difficulties and the Planning Inspectorate were slow in setting up virtual inquiries into submitted plans. Many local plan inquiries programmed to be held this year were cancelled and plans due to reach statutory milestones (the stages at which HBF makes formal responses) were deferred. While

this will have a knock-on effect, increasing our workload in 2021, so too the uncertainty surrounding the changes to the planning system in the White Paper, it will result in some LPAs choosing to delay the review of their plans programmed. All of the team became experienced in virtual inquiries and the challenges and opportunities presented by this new way of working. Indeed, it would not be unthinkable to assume that the planning inspectorate will include such virtual sessions into normal practice for some time to come.

REGIONAL WORK

HBF continued to work with devolved administrations across the country to ensure house builders views are considered as decisions on housing provision are taken; In Greater Manchester HBF engaged throughout 2020 with the Mayor of Greater Manchester to promote the role of house building in the city-region and to promote the importance of progressing the Greater Manchester Spatial Framework; in Greater London to influence the draft London plan; in the West of England we participated in the Combined Authority’s Economic Recovery Taskforce, whereby we advised on measures and interventions to support house building in the city-region especially in areas such as planning and skills; in Liverpool to ensure the training needs of the house building sector are properly understood and to help secure funding for the combined authority to enable it to progress its spatial development strategy; and in the Sheffield City Region HBF is on the regeneration advisory panel developing an appropriate regeneration plan for the city-region.

TECHNICAL

TALL BUILDINGS, THE BUILDING SAFETY BILL, FIRE, CLADDING AND EWS1

Throughout 2020, and since, there have been a number of significant announcements relating to tall buildings, combustibility and fire safety generally.

Firstly, amendments to Part B of the Building Regulations were announced which mandates the use of sprinkler systems and wayfinding signage in all buildings over 11m or four storeys.

We also saw the closure of the consultation on the revised ban on combustible materials. This consultation will be transposed into Part B of the building regulations updates later this year and will see the ban on combustible materials dropping from 18m to 11m, but also includes an 18-month dispensation on cavity trays and laminated glass falling under the banned combustible materials listing. This is in order for the industry to find, develop, test and certify suitable alternative products that meet the combustibility requirements whilst also maintaining a buildings performance. It is anticipated that this update will be published later this year however there has been no formal announcements on this as of yet.

BUILDING SAFETY BILL

2020 saw publication of the Draft Building Safety Bill. The Bill is an overhaul of the current approval process for buildings over 18m/six storeys in height. Included in the proposals is the introduction of a regulator to implement and consent via three gateways; the planning, detailed design and inspection/occupation stages of the project lifecycle. There is also further focus on responsible duty holders, residents voice committees, and the appointment of appropriately qualified building managers. The consultation on this draft closed in mid-October and HBF made representations. The Bill continues to progress and it will see the introduction of a new industry regulator (HSE) who will sit above and sanction ultimate approval to approved inspectors, building control, planning authorities, and building management companies accordingly as well as the introduction of three ‘gateways’ at the planning submission, detailed design and sign off and occupancy stages of buildings of 18m and over. HBF has previously raised concerns with the Gateway two proposed full plans submission requirement which will force developers to submit all detailed design information up front at the commencement of a project.

From 1st August 2021, in advance of the Bill receiving Royal Assent, the planning stage gateway known as ‘Gateway 1’ will come into force for buildings in scope whereby developers will be required to submit a fire and emergency statement as part of the reserved matters planning submission. It should also be noted that there will be no transitional arrangements in place for the introduction of these changes. More detail can be read [here](#).

EWS 1

HBF remained close to RICS and others in relation to the progress of the EWS 1 form and how it was being received in the wider industry. Feedback was that lenders, valuers and conveyancing professionals were still requesting these forms for buildings outside of the required scope of 18m and above. RICS published Q&A guidance relating to the appropriate use of the form but without a categoric statement from MHCLG on the application of the EWS 1 form, these problems continued to be experienced. Insurance issues were another significant factor a lack of fire engineers or other approved professional bodies causing major hold ups to the completion of EWS 1 forms and the subsequent property transaction. To try and resolve the issues we held meetings with MHCLG and a number of measures were discussed including categorising the scope of buildings, assessors PI, underwriting leaseholder costs for any required remediation identified in the EWS 1 process as well as launching a new qualification jointly with RICS to ease the issue of the number of suitably qualified professionals able to complete EWS 1 forms. At the end of 2020 RICS launched a consultation which proposed to remove categories of buildings of certain heights that didn’t have specific types of cladding on them from the requirements of an EWS 1 assessment.

TECHNICAL

We continued to input and in early 2021 a revised EWS 1 form and supplementary scoping guidance document was launched. Whilst the amended version was welcomed there still remain issues in relation to the ability of assessors completing EWS 1 forms to be able to get hold of adequate insurance. We are aware of a government product that has been tabled to underwrite and indemnify assessors to allow them to complete EWS 1 assessments without third party or retrospective claims against them but this is not yet in place.

RPDT (RESIDENTIAL PROPERTY DEVELOPER TAX) AND THE BUILDING SAFETY LEVY

We continue to engage with Government on their proposals to introduce taxes to pay for remediation measures to be carried out on buildings. In addition to the Residential Property Developer Tax due to be introduced in 2022 we have been engaging with MHCLG on their proposed Gateway 2 Building Safety levy, which is very much an emerging piece of legislation relating to the funding of the Building Safety Bill and the regulator, a consultation on which was launched in 2021. Our main objective is to ensure that all these taxes are fair and proportionate, and recognise the responsibilities of all parties involved in addition to housebuilders, and the monies already committed by the industry to remediate buildings.

ELECTRIC VEHICLE CHARGING POINTS – APPROVED DOCUMENT PART S

In late summer we saw the draft building regulation Approved Document Part S, covering the mandatory installation of a 7.2kw min. electric vehicle charging point on all new dwellings. The draft regulation is proposing an “active” approach to the required infrastructure meaning that electric charging points will be required to be active and operating to gain building control consent for occupation. We anticipate seeing this regulation being introduced in Spring 2021 with a likely six-month transitional period. We still await the publication or indeed a draft of the Approved Document and now expect to see this toward the end of 2021.

ACCESSIBILITY STANDARDS

A consultation was launched in late August in relation to the current requirements of Approved Document Part M which aims to review policy in respect of making new homes suitable for an ageing population and the accessible needs of residents with disabilities.

Within the consultation, the Secretary of State gives additional background for people having to spend more time in unsuitable homes through Covid-19 and the anticipated population of over 85s increasing from 1.5 million to 3 million M 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 and the consultation itself listed five options for the proposed changes to be made to the building regulation. Having consulted with our membership the consensus is that the preferred option is M4(2) - but with exemptions on topographically challenged sites as well as on secondary and tertiary locations where the requirements of M4(2) would jeopardise the viability of the scheme as a whole. In addition, we have also sought exemption on apartments above one storey and feel that further clarity is required within the document of the requirements for apartment blocks and FOG’s. We await the response from Government following the consultation.

HIGHWAYS

We repeated our annual Freedom of Information exercise in 2020 and it once again showed the clear disparity between county councils and Unitary Authorities in respect of 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 has been recently issued again for the year 2021 (whilst we have also written

to a number of local authorities to highlight the issues encountered by the industry in relation to approvals and commencement).The results are shared with HM Treasury and the Department 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.

HEALTH AND SAFETY

Following an overhaul of the group in 2019, our Health and Safety steering committee now exists as an overarching body (made up of representatives of major and medium size member companies) which sets the agenda for the overall health and safety group. One significant achievement of the group was being instrumental in the creation of the Safe Working Charter which was co-signed by HBF and MHCLG and allowed the industry to be one of the first to return to work in late spring following the first lockdown. The group is currently working on several subgroup workflows including temporary works, utility strikes, RIDDOR data collection, site traffic management and building safety. Don O’Sullivan, CEO, Galliard Homes has since taken a position as the Health and Safety Steering committee Executive Sponsor; whilst Darren Shattock, Group Health,

Safety and Environmental Director for Redrow Homes has taken over the chairing of the Health and Safety steering committee from Stuart Hosegood.

UTILITIES

Following the lockdown and the subsequent re-opening of sites it was pleasing to see that a number of utility companies (who are also HBF associate members) maintained their commitment and service levels to the house building industry right through lockdown and the re-emergence of safe working protocols. Unfortunately, this was not the case across the board and following high level lobbying of these organisations, HBF was able to report in the July that all utility companies were back to work in maintaining connections and metering to our industry.

With the impending introduction of a Future Homes Standard and the repeatedly announced move to remove gas from new homes over the coming years, we are at a precipice in the utilities sector. Given the proposed legislative changes due to be introduced in the near future, the reliance on electricity and alternative fuel sources has never been greater. This in itself will bring innovation. However, there are still concerns within the industry regarding robust electrical networks and network capacity as well as the need for “smart” technology becoming the norm in new homes with the requirement for power and commissioning to be less of a ‘just in time’ element and more of a superstructure second fix build stage.



Building Communities

Making Place a Home



A REPORT BY THE HOME BUILDERS FEDERATION
AUTUMN 2020

SKILLS

HBSP EVALUATION

In 2020 the funding relationship between the CITB and Home Building Skills Partnership (HBSP) ended and HBSP became part of the Home Builders Federation. An evaluation survey was conducted to analyse its achievements and future focus. Many home builders felt it was important to continue HBSP initiatives and that significant staff training, and developments had been made while making the industry more appealing as a career option.

BRICKWORK MASTERCLASSES

The Brickwork Masterclasses were created as a way to upskill bricklayers, improve quality and give focussed training on site for free. Through CITB funding over 4,000 people have received training on sites all over the country and CPD for over 100 brickwork lecturers in 36 colleges, this programme is ongoing.

VIRTUAL VISITOR CARD LAUNCHED

The Home Building Skills Partnership launched the Home Builders Visitors Card in response to CSCS withdrawing the Construction Site Visitor Card. So far, over 1,400 applications for the new card have been successfully processed since its launch.

NEW PROJECT OF VIRTUAL SKILLS TRACKER

HBF, CSCS and CITB are collaborating to create a skills tracker linked to the CSCS cards. This initiative is supported by the Construction Leadership Council and will allow base skills, competence and CPD to be checked at site level when a CSCS card is read virtually. The testing and principles of this project should be considered industry wide to address the new focus on competence from the Hackitt Review of Building Safety.

FUTURE TALENT NETWORK

We developed the Future Talent Network as an online knowledge and support hub for new entrants to the industry to expand their knowledge of home building, keep updated on news, Government decisions and policies, and help guide them in their professional development. Since launch regular webinars and podcasts have been produced to assist new entrants develop their understanding of key areas of the industry.

ATTRACT CAMPAIGN

With the challenges brought about by the pandemic, our 2020/2021 attract campaign focussed on building the reputation of the home building industry as a career destination rather than promoting job opportunities.



KICKSTART

HBSP supported members to access the Department for Work and Pensions' (DWP) Kickstart scheme to provide six-month work placements for young people and incentives for employers by submitting and administering an application as a Gateway Representative on behalf of 27 employers.

CITB

Following the onset of the Covid-19 pandemic, we discussed with CITB at a senior level its plans to assist employers during the resultant period of difficulty. This fed in to the CITB's decisions to defer and prolong the payment period for employers to pay their 2020 CITB Levy assessments and to seek agreement from Government to reduce the Levy payment for 2021 by 50%.

We also held discussions with CITB about its revised business plan for the current year and strategic plan for 2021-25 ahead of agreeing arrangements for the next vote on renewal of its Levy. The vote was held in the summer of 2021 with the industry overall voting against the proposals.

MEDIA, CAMPAIGNS, REPORTS AND COMMUNICATIONS

MEDIA

We 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.

HBF directors undertook broadcast interviews for national/local radio and TV on related issues including Help to Buy and general housing policy announcements; leasehold; build quality; management fees; a plethora of planning issues at a local/national level.

Needless to say, there was a huge amount of interest around coronavirus and whether the industry could continue to work, and then on when sites would re-start. We worked closely with members on this, including concerns around filming of supposed 'unsafe' working practices once sites had re-started.

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.



PARLIAMENTARY ENGAGEMENT

Inevitably due to the coronavirus pandemic, it was not possible to meet with MPs and Peers face to face for much of the year. As such, our digital communications with policy makers has never been more important.

We issued three editions of our Parliamentary Newsletter to help keep MPs and Peers up to date on the implications of the pandemic for home building, the broader issues impacting the industry and the launch of new reports and campaigns. The newsletters are available to read on our website.

In addition, we have continued to produce briefings for MPs ahead of debates on issues such as energy efficiency, engaged with All-Party Parliamentary Groups (APPGs) such as SME house builders and housing market and housing delivery and written to MPs on issues such as the environment, land banking and Help to Buy to name a few.

MENTAL HEALTH AWARENESS

Since the launch of the HBF Mental Health Awareness Campaign in March 2019, the industry is in a better position to help deal with mental health issues with over £200,000 raised for the Lighthouse Construction Industry Charity. Over 700 staff have also been trained in mental health first aid and over 1,000 in mental health awareness.

NEW HOMES WEEK

This year we had to make some changes to the New Homes Week campaign due to the Covid-19 pandemic. Following discussions with members, the campaign was held in July (it was originally planned for May) and renamed New Homes Week Unlocked.



The objective was to support the reopening of the sales market, positively position new homes and ultimately, increase sales. We undertook a consumer survey that showed how people's attitudes to their homes had changed during lock down that provided the basis of engagement we undertook during the campaign. The campaign generated a large amount of social media traffic and a range of positive coverage of new homes in the national and regional press.

MEDIA, CAMPAIGNS, REPORTS AND COMMUNICATIONS

BUILDING COMMUNITIES CAMPAIGN

Following delays due to the General Election and then the coronavirus pandemic, we were pleased to finally launch HBF's Building Communities report in the September.

The purpose of the report was to demonstrate the broad range of benefits home builders deliver for the communities in which they build. The report found developer contributions to communities through Section 106 agreements and other mechanisms in the last year has been over £7 billion, demonstrating the key role the industry plays in community investment.

To mark the launch of the report, we held an online virtual discussion with the Housing Minister, Christopher Pincher, members and key stakeholders which explored the role home builders have to play in rebuilding communities during the recovery from coronavirus.

BUILDING A FUTURE CAMPAIGN

On 4 March, HBF published a new report, Building a Future: Opportunities in Home Building. The report was launched at an event in Parliament to showcase the range of skills and jobs supported by the home building industry.

The 'drop in' event provided MPs with the opportunity to meet with apprentices, graduates, trainees and career ambassadors from across the industry. In total almost 20 MPs came along to the Thames Pavilion in the Houses of Parliament to meet their constituents and others who are working in the sector.

LIVE EVENTS

While coronavirus has seen the cancellation or postponement of many events, we felt it was important that we continue to provide opportunities for our members to hear the latest developments from a range of expert speakers.

With this in mind, we launched the first HBF Live events in June and July successfully. The first event took place in June and included a message from Secretary of State, Robert Jenrick, together with a strong line-up of speakers including the Chief Economist of Nationwide, David Berson and Savills' Director of Residential Research, Lucian Cook.

A second event was held in July and included another good set of external speakers including Grainne Gilmore, Head of Research, Zoopla, David Livesey, the Group Chief Executive of Connells, and Michael Bingham, the Interim Chief Planner at MHCLG.

In September, we held the HBF AGM and member briefing online whilst our annual Planning and Technical Conferences also took place virtually. Both events were very well attended and featured a number of key speakers

The annual Housing Market Intelligence conference in November was attended by over 350 registered delegates. Speakers included the housing minister Chris Pincher, Sunday Times economics editor David Smith, Zoopla head of research Gráinne Gilmore, Barratt's group sustainability director Bukky Bird, group chief executive of Connells Group, David Livesey and HBF director of planning Andrew Whitaker. Business journalist Simon Jack moderated the event. The HMI report can be found here.

In December, the Housebuilders Awards 2020 took place online. The full list of winners can be found at www.house-builder.co.uk.

Recordings of all of these – and the ones from early 2021 are on our website. Hopefully moving forward, we will see a return to actual events.

REPORTS


In partnership with property consultants, Knight Frank, HBF published a report exploring the economic benefits generated by the housing market. This report focused on the benefits of the secondary housing market and highlights the need for a discussion about the importance of freeing up the home mover market to allow for more housing opportunities. The report can be read here. Whilst in our report, Electric Revenue, we explore the benefits new build housing delivers for both consumers and the environment in terms of energy efficiency.

BUILDING COMMUNITIES


Making Place a Home

A report by the Home Building Federation

Autumn 2020



57,485
New affordable homes



49%
Funded through
Section 106 agreements



Home builders have provided over
£7 billion
to local authorities in contributions
for affordable housing

WALES

The differences between the operating environment within which the industry operates in Wales and England continued to be of major concern for our members throughout the year.

We continued to engage with the Welsh Government (WG) at various levels on a range of policies that have an impact on our industry through virtual meetings. However, the conditions created by the pandemic have meant that some working groups have met less frequently. Consequently, progress has slowed in a number of areas.

Nearly all HBF members in Wales closed their sites within a couple of weeks of lockdown, although, as was the case in England, there was no actual requirement to stop work. The safety of staff and potential buyers was a key consideration in the decision to halt activity, along with disruption in the supply chain and the services the home sales process is reliant on. Sites remained closed for around two months, not restarting until early May.

The rules associated with lockdown were different in Wales with sales offices and show homes reopening a month later than in England. Throughout, we kept in regular communication with the WG which enabled us to update members as soon as changes were made. We also agreed a Welsh version of the Charter for Safe Working Practice which was launched in July and supported by the WG.

Beyond the pandemic, the emphasis on a 'plan led' system, the need for placemaking and the wish to see a significant increase in the levels of affordable homes delivered in Wales continued to be the key messages from the Welsh Government this year. We inputted into and submitted responses to all of the ongoing planning enquiries and Local Development Plans, though progress

was made even more slow as a result of the pandemic, not helped by the decision to extend some plans from 2021 until 2026. The publication of the new National Development Framework known as Future Wales: the national plan 2040 was also delayed until early 2021.

Help to Buy continued to perform and accounted for around 50% of private new homes built in Wales. First time buyers made up 75% of the sales. However, Covid-19 clearly had an impact on the number of homes purchased. In September, the WG finally announced a one-year extension to the scheme – something we had been pushing hard for -starting in April 2021 with a further year still subject to confirmation on funds from the UK Government. We have worked closely with them to ensure the proposed scheme changes are workable.

We also worked with members to develop a response to the consultation on proposed changes to Building Regulations covering Part L whilst we continued to contribute to the WGs SUDS implementation group and worked with them on their proposals with regards to leasehold reform

HBF signed up to the WGs Placemaking Wales Group which is tasked with leading the improvement of development quality in Wales. The Group is led by the Design Commission for Wales who have now also published guidance on incorporating placemaking into new developments. There is still some clarity required as to what this means in practice and HBF will continue to work with the group to help inform members.

We have also continued to engage with them with regards to the work of the NHQB and the proposals for a New Homes Ombudsman Service with the intention of the arrangements being introduced on a GB wide basis.



HOUSEBUILDER MEDIA

Housebuilder Media faced many challenges in 2020 as the pandemic disrupted the events industry causing the cancellation or postponement of many of HBM's activities.

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 more important than ever in a difficult year.

Housebuilder magazine was still published and distributed every month providing unrivalled coverage of the many issues affecting the housebuilding industry both on paper and online – indeed the demand for online information increased in 2020 because of the pandemic. Advertising in the magazine and on the Housebuilder website was steady in the year.

HBM's successful events programme was disrupted by the pandemic, but HBM was swift to pivot its business to provide webinars and online events to the industry. Free to attend webinars were produced on behalf of HBF, while HBM's key conferences and major Awards ceremony became online events. While revenue streams were inevitably disrupted, the reputation of the key brands, and of HBM itself, was maintained.

So far 2021 has continued to be challenging for the events side of the business but some events look set to go ahead with appropriate measures taken.

HBM'S TEAM

Ben Roskrow, publishing director

Helen Board, business manager

Rob Houghton, Southern sales manager

Kellie Kent, events manager

Suzie Mayes, reporter

Tim Mullin, Northern sales manager

Lisa Sweeney, events and publishing assistant



Sophie Robinson face of new homes unlocked a social media campaign, July 2020



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