

“So much has happened in 2004 - and HBF has been involved in so many major issues - that time has seemingly had to expand to accommodate all the activity.”

House Builders Federation
2004 Annual Review



House Builders Federation - 2004 Annual Review



Above: Chelsea Bridge Wharf, Woolwich, London - Berkeley Homes

Cover picture: Crown Heights, Basingstoke - Barratt Southern

Acknowledgement: the photography used throughout this publication features HBF members' schemes that appear in the 2005 edition of DESIGNING HOMES FOR LIFE.



contents

Chairman's introduction	4
Chief Executive's foreword	6
The housing market and media review	8
Planning	10
Economic affairs	12
External affairs	14
Technical	16
Communications	19
HBF Board of Directors	22
Finance and membership	23



When I became Chairman of the HBF last April I had two key objectives. First, I wanted to ensure that we continued to exert influence on government on the key issues that impact our industry. Housing remains at the top of the political agenda and 2004 brought ample confirmation of the growing importance of housing supply as a national and regional issue.

On the legislative front, three new Acts of Parliament have highlighted the range of issues facing us. The *Planning and Compulsory Purchase Act* finally completed its passage and was joined by the *Housing Act*, which introduces home information packs, and the *Sustainable and Secure Buildings Act*, which will expand the potential scope of future building regulations.

2004 was, however, pre-eminently the year of the *Barker Report* and it has been the follow up to Kate Barker's far-reaching recommendations that has dominated HBF's work and relations with government. The Minister's public endorsement of Kate Barker's findings, and agreement to follow up her recommendations, was very welcome. Delivering the Barker agenda is, however, no small undertaking and much remains to be done.

HBF has worked widely with members to seek views on the many proposals for planning reform - and to formulate responses to the Barker recommendations to the industry on customer satisfaction, modern methods of construction, skills and design.

Government has made it clear that Barker is a package deal, with industry needing to deliver on its side if the political chemistry is to work. We recognise this and in truth the challenges to industry are an opportunity that we need to grasp. HBF will therefore strengthen its efforts to take work forward pro-actively in these areas.

I very much look forward to continuing to play an active part in this vital work on behalf of the industry in the coming year. I believe our persuasive style has afforded us generally good relations with government at all levels and has enabled us to influence its thinking on some major issues.

I would, however, like to dispel one myth. Talking to government does not mean agreeing with it on every issue. We don't - and when we have concerns we express them in the strongest possible terms. Our successful dialogue on the leaked revisions to PPG3 this past year is an excellent example.

Most importantly, while we will continue to support the government's drive to increase the number of homes built, we will continue to insist that overall policy helps to deliver more homes not less - and equally as important the right mix of homes. The findings of our recent research by Professor Dave King, supported independently by CABE, cannot be ignored.

My second key objective has been to ensure that HBF is properly structured to deliver on the ever growing external agenda and provide real value to our members. The *Strategic Review* undertaken over the past few months has helped us better understand the services that members value and the areas where improvement is required. The outcome of this work should ensure that the Federation is well placed to meet the challenges ahead.

There have been a number of changes to the composition of HBF's Board. Sincere thanks are due to Board members who will retire at the AGM: Terry Royden, who has also served as Treasurer for many years; Guy Higgins, who has been Chairman of the Metropole Group; Steve Lidgate, my predecessor as Chair of HBF, and Stephen Brazier.

I am delighted to welcome four new members to the Board. Malcolm Harris, Chief Executive of Bovis Homes; Peter Johnson, Chief Executive of George Wimpey, and David Pretty, Chief Executive of Barratt Developments, all joined in January 2005. Tim Hough, Chief Executive of Miller Homes, will formally join at the AGM in April 2005. The participation of such senior and respected industry figures is a most encouraging vote of confidence in HBF, and I know that we will benefit from their support and experience as we drive the organisation forward.

On behalf of the Board and the membership, I would like to express thanks to Robert Ashmead, our Chief Executive, the executive team at HBF and all our staff. The last year has been particularly testing, with an ever increasing number of potentially high impact issues to deal with, as well as the Strategic Review.

Stewart Baseley

Chairman (2004), HBF





Putney Wharf Tower, London - St George PLC

If a week is a long time in politics some might say a year is an eternity in the world inhabited by our industry.

So much has happened in 2004 - and HBF has been involved in so many major issues - that time has seemingly had to expand to accommodate all the activity.

Necessarily this has been a challenging year. The *Barker Report* has, however, opened a welcome major new dialogue between HBF and government on the future direction of the planning system and much besides.

It remains important that No 10 and the Treasury as well as the ODPM are backing Barker and HBF has worked hard to develop its relationship with them. It is the wider economic and social case for an improved housing supply that has driven the interest in this issue at the highest levels of government and we have particularly sought to link our thinking and representation to these concerns.

The path to a better future is not always straightforward, however, as discussion on the revision of PPG3 demonstrated. The leaked draft of the then proposed guidance in the autumn raised major concern in the industry. HBF worked hard, both via political lobbying and detailed discussion with key officials, to communicate the reasons why changes to the government's position were necessary. I am glad to say these representations were successful and an improved proposal for revising PPG3 has now been published for further public consultation - contrary to the government's original plans.

In the technical sphere, HBF has sought to build on the success of the robust details solutions to Part E of the building regulations. We have made a substantive response to the consultation on revision of Part L and are seeking positive consideration of the scope for extending the robust details approach

Chief Executive's foreword

into this area. In addition, important discussions are now underway on the revision of Part M on access and this will continue to be a major area of work in the months ahead.

There have been important issues at the regional level too - most notably the need to lobby for relaxation of the planning 'moratoria' in the north west. This has been a difficult issue, but working with members we have been able to engage regional politicians and stakeholders, build a coalition of parties who recognise the case for a more sophisticated regional planning policy, and bring the collective concerns effectively to the attention of ministers. I believe the legacy of this campaign will be a more influential regional position for the HBF in the years to come, and that this will in turn assist us in arguing for a better balanced regional planning policy framework.

The influence we are now bringing to bear in the north west is also in many respects a model for the way I would like to see the HBF positioned generally - both at national and regional level.

The *Strategic Review* of our structure and activities, which began in 2004, builds on this model. Based on extensive consultations with a wide range of members, we are putting in place changes that will strengthen our ability to deliver for the industry. We will place greater emphasis on a proactive approach to key issues of national importance; we will communicate more effectively with our members and others; and we will develop a more effective and transparent governance structure that will facilitate the participation of members.

The political and economic importance of housing has increased markedly, and the rate of change to the planning and regulatory regimes seems to accelerate all the time. The Strategic Review will put HBF in a position to respond effectively to the increasing profile and complexity of housing issues, and, I believe, to better deliver on behalf of its members.

Robert Ashmead
Chief Executive, HBF



“So much has happened in 2004 - and HBF has been involved in so many major issues - that time has seemingly had to expand to accommodate all the activity.”



The housing market and media review

Housing market volumes were weak in the second half of 2004, especially when compared with the exceptionally buoyant market of autumn 2003.

However early indicators for 2005 suggested the slowdown had eased considerably. Although the rate of increase of house prices had slowed, there was no sign of any sustained fall in prices.

Certainly, most economists believe that a soft landing is still the likeliest scenario. Although hopes of an early cut in interest rates have receded on the back of data showing consumer demand is stronger than expected, there is little prospect of a significant rise in interest rates.

However, with the proportion of first-time buyers at a record low, there are still real concerns as to how this will affect the market as a whole. It is pleasing therefore that the housebuilding industry appears to



Coombe Hall Park, East Grinstead -
Try Homes Ltd Southern Region

have been long aware of this and has acted accordingly. Many major housebuilders have focused on boosting volumes of lower-priced housing to cater for the pent-up demand from first-time buyers. In addition, private industry has made a strong case to government to be more actively involved in procuring social housing grant and providing social housing.

Policy-wise, the government is now at a crossroads. The undersupply message has been comprehensively accepted and the need to address it made a priority. A raft of government proposals preceded Deputy Prime Minister John Prescott's *Delivering Sustainable Communities Summit* in February.

The government has made it clear that it wishes to see an 'expansion of the property-owning democracy', with the Prime Minister wanting to see owner-occupation rising from its current level of

about 70 per cent to 80 per cent over the next decade. It also faces political pressure to boost the supply of affordable homes. This has manifested itself in a host of schemes - most notably the concept of building homes for £60,000 on government-owned sites.

On their own, such initiatives will not solve housing undersupply. Nevertheless, they indicate that the pressure to deliver housing is intense and likely to remain so.

Given that undersupply will be with us for many years - regardless of how successful the attempts are to address it - the underlying and upward pressure on house prices looks set to continue. In the meantime, efforts to boost production of both private market and social housing look set to provide good opportunities for the private sector.

The greatest potential threat comes from external economic pressures that might put upward pressure on interest rates, and/or a weakening of the economy. For now at least, there is little to suggest these threats are real, and so the outlook for the housing market looks benign.



Coppice Park, Harrogate
- Barratt Homes York

Planning

In line with the long term strategy of placing HBF in the position of critical friend of the government, the past year has produced a number of clear results.

HBF was represented on a number of ODPM steering groups and ministerial advisory groups, and has become the first point of contact for a growing number of third parties with an interest in planning and the planning process.

Planning reform

With the *Planning and Compulsory Purchase Bill* continuing its passage through both houses of government, HBF was central to a great deal of political lobbying on issues of practical implementation and clarity.

The Bill was finally passed in May 2004 and became the *Planning and Compulsory Purchase Act 2004 (P&CPA)*. The Act is an enabling Act, which amends

relevant sections of the *1990 Town and Country Planning Act*. As such, it is being implemented over the next 12 months. HBF continues to work with ODPM officials to ensure that the necessary secondary legislation - such as regulations, circulars and guidance - is clear and practicable and facilitates, rather than obstructs, new housing development.

One of the first major changes to the planning system brought about through the Act was the change to the development plan system. HBF worked closely with ODPM in the development and publication of *Planning Policy Statements 11; Regional Planning and 12; Development Plans*, in particular seeking to ensure that the fear of a hiatus in the plan making system would not ensue.

As a member of the steering group responsible for the production of *Creating Local Development Frameworks, A companion guide to PPS12*, HBF ensured that advice given to local planning authorities was not only timely - thus minimising the probability of delays - but was clearly written and set out in a style that would enable them to efficiently produce plans consistent with the new framework.

HBF's success as a critical friend to ODPM bore fruit late in the year when proposals to amend PPG3 to allow local authorities to dictate the mix of housing on all sites were presented to a ministerial advisory group, at which HBF had a seat. Severe criticism of the proposals from HBF and the wider industry resulted in intense discussions with ministers and officials over the folly of such a move. While these discussions are still ongoing, current proposals for amendments to PPG3 are certainly less severe on control of the industry than they might have been had HBF not been able to comment on the proposals at such an early stage of their development.

Planning obligations

As a member of the ministerial advisory group on planning obligations HBF was well positioned to ensure that ODPM proposals for an optional tariff based system of planning obligations to replace the current Section 106 agreements were clear, fair and implementable. However, the publication of the Barker report and, in particular, her suggestion for a new planning gain supplement, put ODPM proposals on hold pending a wider debate about such a possible development tax. This debate will take place over the coming year.

However, ODPM did publish a consultation on policy changes seeking to ensure that the current system of planning obligations operated efficiently and fairly. As part of the advisory group, HBF was able to consider the effects of the proposals prior to them being published for public consultation - which resulted in a general welcoming of the clarification of existing policy.

Housing delivery

Responding to pressure and evidence from HBF, the planning minister set up a housing delivery advisory group to investigate the reasons behind the south of England's failure to provide the amount of housing allowed for in regional planning guidance. The group, whose membership included senior representatives from the industry, made recommendations to ministers that are now being acted upon to ensure greater delivery of housing against targets.

Involvement with this group demonstrated to government that the industry is willing to enter the housing debate as a committed partner, bringing forward practical suggestions and solutions to problems rather than merely criticising government at national and local level for failing to deliver.

HBF continues to play a full role in the emerging policy for the four growth areas in the south east. This has included direct involvement through representations on policy documents and appearances at public inquiries, and a facilitating role, bringing together the private and public sectors at working groups and local delivery vehicle meetings.

HBF's objectives continue to be to ensure delivery is practicable and timely - and that the private sector is fully engaged, as an equitable partner, in the delivery of housing in these important policy areas.

Similarly, HBF has played a facilitating role in the northern pathfinder areas, ensuring that the private sector is welcomed as an essential partner by the public sector led pathfinder boards.



Economic affairs

Barker Review

The *Barker Review* final report must be judged a major success for HBF and the industry. Kate Barker and her team concluded that land supply and the planning system lie at the heart of housing under-supply and the unresponsiveness of supply to demand. The Review suggested private house building annual output in England needed to rise by between 50 per cent and 90 per cent.

HBF made two detailed submissions to the Review in 2003 and worked closely with members of Barker's team. Many individual companies also provided evidence and met Kate Barker and her officials. But winning the arguments was not a foregone conclusion. Many other organisations submitted evidence - not all of them sympathetic to the industry's case.

Since the final report was published in March 2004, a great deal of work has been going on behind the scenes.

The government has a high-level steering committee of officials from the Treasury, ODPM and No.10 policy unit, which is driving forward the government's response to Barker. HBF has met the committee twice and submitted a paper recommending further reforms to the planning system.

HBF's own steering committee, which was strengthened following the Barker Review final report, continues to guide HBF's response to Barker's industry recommendations.

HBF formed a steering group on *modern methods of construction (MMC)*, with representation from within the industry and a wide range of outside organisations. An interim report on barriers to wider adoption of MMC, including preliminary recommendations, was prepared in late 2004. A final report will be published in summer 2005.

HBF and CITB jointly commissioned a major study of the skills implications of a large rise in house building. Three skills initiatives were announced covering the CSCS scheme and training for site trades and site managers.

Progress responding to Barker's customer satisfaction recommendation has not been as rapid as hoped, partly because so many companies already

have their own customer satisfaction programmes. However, a special working group is developing a comprehensive strategy.

HBF's enormously successful Barker conference in May 2004 is to be followed by another conference in April 2005 which will look at the Review one year on.

Economic lobbying

HBF's annual Budget submission to the Treasury in November focussed particularly on the need for stamp duty reform. As always, it also argued against imposing VAT on new homes. Recent European Commission thinking suggests the threat from Europe to Britain's zero rating of new homes has diminished significantly.

HBF continued to put the economic case for new housing to officials at the Treasury, Bank of England, No.10 Downing Street policy unit and ODPM.

A pioneering study was commissioned to examine the links between household formation and the types of homes needed over the next 20 years. This suddenly became a pressing issue in late 2004 when revisions to PPG3 on 'size, type and affordability' were released.

The economic affairs team continued to monitor trends in the housing market through its two industry surveys and the respected monthly *Housing Market Report*.



External affairs

The external affairs team worked closely with the planning, technical and economics teams on a wide range of issues during 2004.

Active lobbying included representations to front bench spokesmen on the final parliamentary stages of both the *Planning and Compulsory Purchase Act* and the *Housing Act*. In each case HBF was also able to work closely with other organisations that broadly shared its interests.

This activity contributed to positive outcomes on both pieces of legislation, including the retention of outline planning consent - and the government's agreement to give further consideration to the case for exempting the resale of new homes covered by a suitable warranty from the requirement to provide a home condition report. On the latter issue HBF has worked closely with the NHBC.

As the build up to the expected 2005 General Election began, HBF also developed policy dialogue with the main political parties on housing and planning issues. A significantly increased interest in housing supply across the political spectrum was a notable feature of 2004.

HBF attended all of the main party conferences in the autumn, met the front bench spokesmen and sponsored a successful fringe debate on housing supply at the Labour Party Conference, which was addressed by the Economic Secretary to the Treasury, John Healey MP.

The external affairs team also led and managed an extensive lobbying campaign to seek relaxation of current planning 'moratoria' in the north west. This campaign, with the financial backing of HBF members, proved effective in securing cross-party political support from the region's MPs, and communicating reasoned arguments that engaged ministers in the ODPM. As a result, HBF has achieved a much more influential position in key regional bodies and decision-making processes, and an indication of some flexibility in the application of regional planning policy.

HBF also followed up the launch of *Building Success: The Economic Role of New Housing in Wales* in early 2004 with a successful presentation of the main findings of the report to the Welsh First Minister in June 2004.

Careers, skills and training

The strengthened *careers, skills and training committee* has provided advice to help underpin a number of important new areas of activity relating to the promotion of new recruits to the industry, and career development within it.

HBF has recognised the growing importance of skills issues both in terms of government policy objectives and the needs of the industry in delivering a step change in housing supply.

In response to *Recommendation 34 of the Barker Review* HBF, in partnership with *CITB-ConstructionSkills*, commissioned a major new survey of house building skills requirements - to

which many members have contributed evidence. The survey results are due to be finalised in the first part of 2005 with a view to informing a specific forward-looking skills strategy for the industry.

In addition, HBF has been actively building a closer relationship with CITB-ConstructionSkills at national level in order to ensure that the views of the industry can be better reflected in policy-making on grant, training schemes and other support services. With the launch of the first *Sector Skills Agreement for Construction* towards the end of the year, and a work programme to develop detailed implementation plans for this Agreement due to run on in 2005, the need for a focused industry voice on skills issues continues to increase.

In November the major home builders also announced three important new initiatives with CITB-ConstructionSkills: to look at new ways of significantly increasing the number of apprentice-level recruits to the industry; to aim for a fully CSCS carded workforce by the end of 2007; and to look at a new flexible qualifications structure for residential site management. These initiatives will form a central area of work in 2005.

Design

HBF has continued to support the *Building for Life (BfL)* initiative in partnership with CABE and the Civic Trust.

All partners have agreed to extend the initiative beyond its initial three year life. The recognition of good design via the award of the BfL standard has proved very successful and the partnership is looking to develop a future business plan for the award scheme. The BfL standard was also recognised as a key indicator of industry achievement in the ODPM's five year plan for housing, *Homes for All*, which was published in January 2005.

At regional level HBF has worked actively with South Yorkshire Pathfinder (Transform South Yorkshire) and CABE to develop a joint plan based on practical application of the BfL standard to the local market context, in order to help deliver high quality design in the area's major housing renewal programme.



Left: The Anchorage, Wivenhoe Quay, Essex
- Bovis Homes Ltd

Technical

The constantly changing building regulations have been central to the work of the department in 2004.

The following approved documents have been produced:

Part A - Structure

Part C - Site preparation and resistance to contaminants and moisture

Part E - Resistance to the passage of sound

Two consultation documents were issued, covering:

Part F - Ventilation

Part L - Conservation for fuel and power

Two reviews have commenced, covering:

Part G - Hygiene

Part M - Access to facilities and buildings

Robust details

May 2004 saw the successful conclusion of HBF's robust details project with the official launch of Robust Details Limited (RDL), which was attended by a number of HBF members. In his address on the day, Phil Hope MP, made a number of supportive comments outlining his expectations for the new company.

This followed his confirmation earlier in the year that as a result of HBF's proposals - and after a period of public consultation - the principle of robust details had been accepted as an alternative to post-construction testing (PCT).

In his announcement at the launch, the minister said:

"I have decided to allow robust details, as developed by the House Builders Federation (HBF), to be used as an alternative to pre-completion testing."

"I am confident that use of robust details will result in significantly improved standards of sound insulation, while imposing much less of a burden on industry than pre-completion testing."

Having put together the robust details 'pattern book' and submitted supporting information to ODPM, HBF's pivotal role in the development of the RSD alternative to PCT came to a conclusion. The minister confirmed the future arrangements in a written statement:

"Future development, maintenance and monitoring of the robust details will be carried out by an independent company set up for the purpose called Robust Details Ltd."

Accordingly, RDL opened for business on 4 May 2004, in readiness for the changes to be made to *Building Regulations Part E*, which commenced in July 2004.

The original project started under the stewardship of HBF's Steering Group, under the chairmanship of David Holliday, now the chairman of RDL. Many of the other project participants, including a number of HBF members, have stayed with the project since the first 'shadow board' was convened by HBF to oversee the development of robust details. Indeed, HBF's former Director of Technical Services, Dave Baker, has been appointed CEO of the new company.

HBF's Chairman, Stewart Baseley, reflected on the successful outcome of the robust details project at the May launch:

"While the Part E experience and outcome is important in itself, it also points towards a new philosophy for regulation. If we are to build the new homes that England and Wales so evidently require, and if we are to build them to meet the many other policy objectives in play, we need to grasp new ways of doing things and achieving objectives. The robust details project should be our inspiration and touchstone in exploring such possibilities."

HBF, supported by its members, has responded to the consultation documents on ventilation and

conservation for fuel and power and has highlighted the issues it supports and, for reasons explained below, the proposals in the consultation document that it cannot support.

Building Regulations

Responses to the proposed changes to *Part L* were made in October 2004 following consultation with HBF members, and concerns were raised about several of the issues contained in the consultation document. Working with CPA and Elmhurst Energy, HBF was able to demonstrate that the ODPM benchmark for carbon emissions was set too high.

As a result of Part L proposals attempting to limit air permeability of new homes, *Part F* also had to be revised to allow for increased ventilation. The response to this consultation document was also made in October 2004, and outlined HBF's opinion that the proposals were overly complicated, which suggested that specialist designers would be needed for domestic ventilation. There also appeared to be conflict between Parts F and E.

HBF has also actively engaged in the working groups for the two reviews that are currently in progress. Confidentiality rules prevent detailed reporting on these, but HBF has been able to report on the *Lifetime Homes Standards* proposed for *Part M*, and the likely impact on the design of new homes and floor areas.

Technical development committee members were invited to a working group meeting, at which concerns were raised about the practicality of introducing these features to all new homes. Several features would appear to increase floor areas significantly - which is contrary to the requirements of PPG3, and the provision of affordable homes. Dialogue will continue with government to try to achieve practical solutions to this proposal.

The other regulation currently under review is *Part G - Hygiene*. The broad issues being considered are: anti-scalding features, unvented hot water systems, renewable energy water heating processes and water conservation. HBF will again endeavour to guide the process to practical solutions.

Highways

The publication of *Better Streets, Better Places* in July 2003 has resulted in HBF continuing the drive for a more uniform approach to highway design and

adoption. In conjunction with DfT and ODPM, work has been progressing over the year towards an update of *DB32, Manual for Streets*. This guide will endeavour to address the many inconsistencies that exist in this area. This year should see some substantial progress.

Further research on *PPG3 Parking Standards* continued during 2004 and further guidance is expected to be published early in 2005.

HBF continued to work with members to seek a legal interpretation on whether commuted sums can be charged with *Section 38 Agreement* for highways. The legal advice is now at a position where it is expected to be presented to the High Court for Judicial Review in autumn 2005.

Sewers

The *Water Act 2003* introduced new provisions for sewer laterals to be adopted, and more options in applying for requisitioning of sewers. HBF continues to strengthen links with the industry regulator and its involvement in *Sewers for Adoption*.

Utilities

2004 saw substantial progress in enabling competition in the water and electricity industries. The *Water Act 2003* paves the way for alternative organisations to install water mains and connect services. Last year, OFGEM moved to allow certified companies to adopt electricity networks. This has resulted in extensive lobbying and work undertaken by HBF, which has resulted in major changes to the relationship between the house building industry and the utility sector.

Health and Safety

The *Health and Safety Charter* was launched on 17 May 2004. The Charter was supported by an agreed action plan detailing a programme of work for the coming year. HBF's Health and Safety Committee and the Housebuilders' Health and Safety Forum set up seven working parties to implement the proposed initiatives. This work is ongoing.

What was formerly the Health and Safety Sub-Committee of the National Technical Development Committee became the Health and Safety Committee reporting to the Board of Directors. This Committee retains its link with the Housebuilders' Health and Safety Forum and joint meetings are held. The Committee is still supported by the technical team.



Little Bithywind, Bradninch, Devon - Midas Homes

Conference and seminar programme

In 2004 HBF ran a successful programme of conferences and seminars across a wide range of disciplines.

The conference programme included:

- Barker Conference (which was fully booked - over 280 delegates attended)
- Technical Conference
- Planning Conference
- Graduate Conference
- Nottingham Trent Debate
- The highly successful Housing Market Intelligence Conference, and associated industry report, which were organised by HBF's publishing arm, Housebuilder Publications, and staged in September 2004. The conference attracted 250 delegates, and 2000 industry representatives attended the supporting exhibition.
- A very successful seminar on the Property Misdescriptions Act, which was organised regionally.

Newsletters and briefings

National and regional newsletters are issued to members on a regular basis. In 2004, the following briefings were also issued:

Barker Review - HBF Submission

Barker Review - HBF Response

Egan Review of skills for sustainable communities

GLA Affordable Housing supplementary planning guidance

HBF 2004 Budget brief

HBF Briefing pre budget report

Housing and the Comprehensive Spending Review

Housing Act 2004 and Home Information Packs

Planning and Compulsory Purchase Bill through the House of Lords

Money Laundering Regulations - Direct Sales by Housebuilders

HBF briefing note on current north west house building issues

PPG3 briefing - proposed revisions to PPG3

HBF's response to the Barker Review update

Report of the Sustainable Building Task Group

New Homes Week members' briefing

www.new-homes.co.uk update briefing

Building Regulations - Part L update

E-communications

Members were invited to sign up to an additional communications channel, which comprised the following e-bulletins:

- Weekly press summary
- Planning bulletin
- Technical bulletin
- NHMB bulletin

In addition, HBF members that are listed on www.new-homes.co.uk received a monthly e-newsletter.

www.hbf.co.uk

The HBF website was revamped in 2003 and further changes were made in 2004 - including a fresh design for the home page and enhanced use of colour throughout the site.

The site contains information about important issues that affect house builders in England and Wales.

The 'members' only' information on the site includes HBF responses to consultations, HBF briefings and newsletters, and a weekly summary of industry news. In addition HBF events and publications can be ordered and paid for online.



Publications

HBF produced the following publications on behalf of members during 2004:

Designing Homes for Life - a high quality consumer style publication produced to showcase the best in new housing design.

Housing Market Report - monthly analysis and interpretation of the latest housing market statistics, including HBF's own survey.

Why support the New Homes Marketing Board? - a leaflet produced in line with the NHMB levy for NHBC, and to promote the work of the NHMB.

Key Issues 2004 - A concise overview of HBF's key priorities for 2004.

Greenleaf awards winners' - a booklet profiling the 2003 greenleaf award winners.



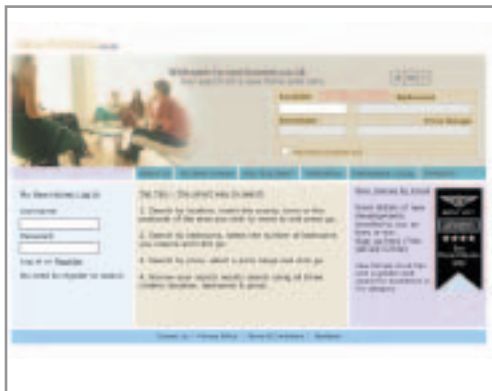
Sustainable New Homes Awards 2004 - a booklet highlighting the shortlisted and winning schemes.

New Homes Week - a leaflet highlighting how much money can be saved by buying a new home, produced in conjunction with a leaflet entitled 'Things you never knew about house building'.

www.new-homes.co.uk

Launched in March 2002, *www.new-homes.co.uk* has become the leading property website for new homes.

The site features eight out of every 10 new homes currently available in England, Scotland and Wales, and won Best Property Portal at the International Property Awards in 2003 and again in 2004.



There have been several enhancements to the site during 2004, including:

- A poll facility has been introduced to generate opinions from visitors to the site, and for use in PR initiatives.
- A comprehensive press room has been set up on the site to provide journalists with an extensive source of new homes information, along with statistics from the site, which are updated on a weekly basis.
- A comprehensive statistics package is now in place, giving real time analysis.
- A customer service e-mail has been set up to ensure that developers are getting the information they request through the 'contact me' facility on the website.
- Additional partnerships have been developed with companies including Mortgage Magazine and Hot Property to increase the offering to developers and users of the site.

Greenleaf awards

Now in their 16th year, the *greenleaf awards* were held once again in 2004, alongside the *Sustainable New Homes Awards*.

Of the 116 entries, 52 schemes went on to win a greenleaf award, and there were joint winners of the inaugural Sustainable New Homes Award.

After extensive consultation, it was decided to incorporate the greenleaf awards into HBF's sustainability agenda, which will comprise a conference at *Housebuilding 2005*, and a supporting publication and exhibition. The new *Housebuilding Innovation Awards*, which have been launched by HBF's publishing division (HBP), will also incorporate greenleaf.

Interest in the *greenleaf standard* has grown steadily since its launch, and over 50 developments were approved for the standard in 2004.

Housebuilder Publications

Housebuilder Publications (HBP), HBF's publishing arm, continues to go from strength to strength both in reputation and commercially.

Its core product, *Housebuilder*, is the leading title in the market and now reaches more than 23,000 readers each month.

HBP's highly successful *Housing Market Intelligence* (HMI) initiative, which includes a major conference and production of an annual industry report, was held in September. This was the second annual HMI event and it will be continued in 2005.

HBP is working closely with HBF on new initiatives. Last year HBP and HBF jointly launched *Housebuilding 2004*, a two day event for the whole housebuilding industry, which included a major exhibition and conference programme. This was the first event dedicated to the whole private residential sector and will be repeated in September 2005.

Housebuilding 2005 will be enhanced by more exhibitors, a bigger conference programme and the launch of the HBF/HBP *Housebuilding Innovation Awards* at The Savoy in London on the night of 7 September.

HBF Board of Directors

HBF Board of Directors (as of April 2004)

Chairman	S Baseley (Stewart)
Immediate Past President	S Lidgate (Steve)
Hon. Treasurer	T Roydon (Terry)
Co-option	S Brazier (Stephen)
Co-option	G A Ball (Geoff)
Co-option	G Higgins (Guy)
Co-option	M Freshney (Mike)
Co-option	P L Pedley (Paul)
Chief Executive	R Ashmead (Robert)

Appointed 1.1.05

Co-option	M Harris (Malcolm)
Co-option	P Johnson (Peter)
Co-option	D Pretty (David)

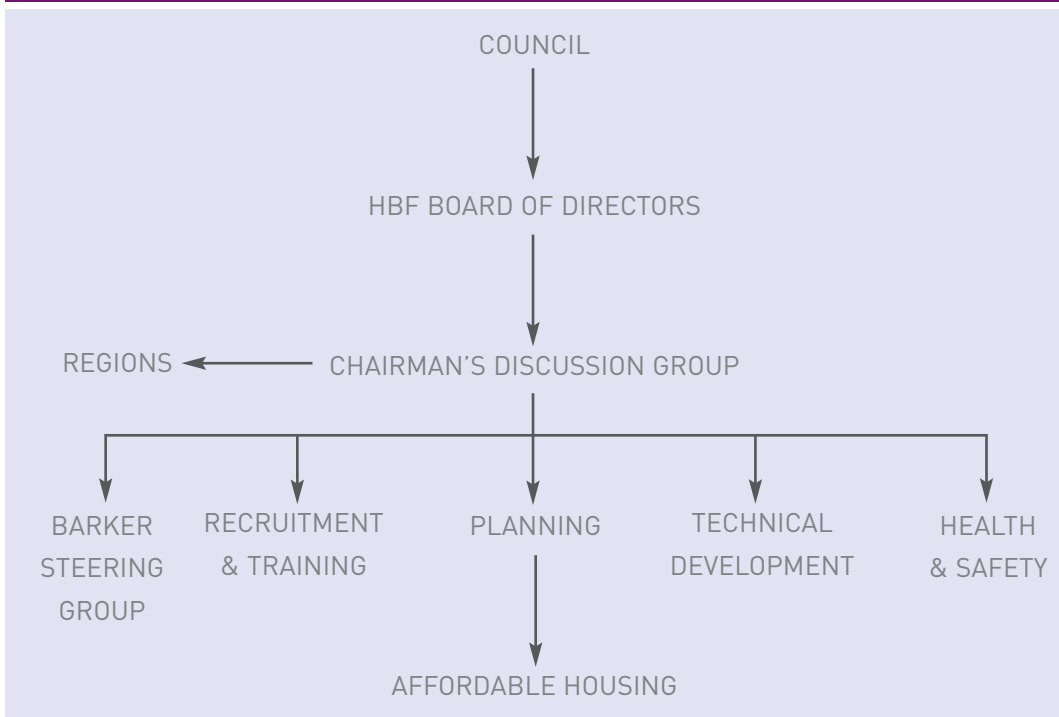
HBF Senior Management Team

Chief Executive	Robert Ashmead
Director of Operations and Corporate Services	Rachel Done
Director of Technical Services	Dave Baker (seconded to RDL as of June 04)
Director of Economic Affairs	John Stewart
Director of External Affairs	John Slaughter
National Planning Adviser	Andrew Whitaker
National Technical Adviser	Ian Hornby

Standing Committee Chairmen

Training & Recruitment	Karen Jones (Redrow)
Planning	Nick Smith (Centex Plc)
Technical Development	Geoff Fogden
NHMB Chairman	Mick Noble

NATIONAL MEETING STRUCTURE



Finance and membership

Subscriptions by house builder members in 2004 were £2,939,781, a 5.4 per cent increase from 2003. Other categories of membership raised £56,731, an increase of 38 per cent on the previous year.

A dividend amounting to £27,862 was received from Housebuilder Publications.










The direct costs of services to the industry increased by £115,706 compared with 2003, an increase of 14 per cent. A budget surplus of £291,284 was planned for 2004 but, as a result of improvements across all areas of income during the year, a pre-tax profit of £339,970 has been achieved.

The current surplus will be used to ensure that HBF maintains an appropriate level of reserves. These

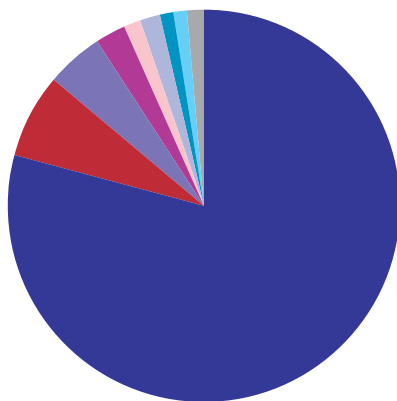
reserves have enabled HBF to invest £285,000 in fitting up new and better-located premises, most of which will be written off over a period of years. HBF will also be able to develop future initiatives that require up-front investment, either by way of improved services to members, or the purchase of physical assets. The reserves will also provide funding for deficits that may arise if there is a significant downturn in subscription revenues, either due to market conditions or merger activity. The required level of reserves includes consideration of the current pension scheme deficit.

This is the tenth full trading year for HBF Ltd. The following information is extracted from the draft 2004 accounts, which will be lodged at Companies House after audit and approval.






INCOME 2004

Subscriptions	2,939,781	
Regional & Special Events	261,201	
Interest & Dividends	171,364	
Part E Management Fee	94,392	
Management Charges	55,000	
Other Membership	56,731	
Programme Contribution	40,000	
External Affairs Consultancy	47,150	
Other Income	43,449	

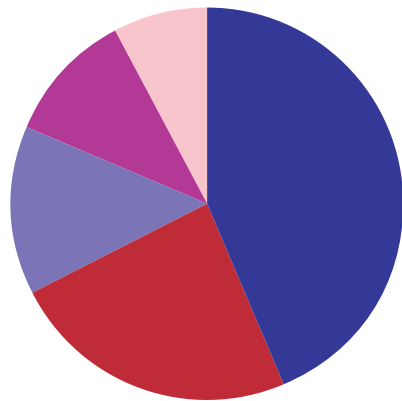
Total **3,709,068**



EXPENDITURE 2004

Corporate Activity	1,475,604	
Planning & Technical	803,650	
External Affairs	468,341	
Regional Services	363,074	
National & Regional Events	258,429	

Total **3,369,098**



HEAD OFFICE

The House Builders Federation
1st Floor, Byron House
7-9 St James's Street
London
SW1A 1DW

Email: hbf@hbf.co.uk
Website: www.hbf.co.uk

Tel: 020 7960 1600
Fax: 020 7960 1601

REGIONAL OFFICES

Midlands and South West

The House Builders Federation
Suite 4
Shakespeare Building
2233 Coventry Road
Birmingham B26 3NJ

Tel: 0121 743 1881
Fax: 0121 742 0548

Wales

The House Builders Federation
Haywood House North
Dumfries Place
Cardiff CF10 3GA

Tel: 029 206 46120
Fax: 029 206 47371

Southern, Eastern and London

The House Builders Federation
1st Floor, Byron House
7-9 St James's Street
London
SW1A 1DW

Tel: 020 7960 1600
Fax: 020 7960 1601

Yorkshire, North West and North East

The House Builders Federation
Westerdale Suite
Tower Court Business Centre
Oakdale Road
Clifton Moor
York YO30 4XL

Tel: 01904 557 624
Fax: 01904 557 625



