



Annual report 2013

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**The voice of the
home building
industry**



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Executive Chairman's report 2013



The year was an exceptionally busy but rewarding one that in many ways saw the results of several years hard work reach fruition. The Government is evidently very strongly committed to increasing home building and, since 2010, has launched a host of major initiatives.

Stewart Baseley Executive Chairman

HBF has played an important role, whether arguing the economic case for house building; suggesting or originating new policy ideas on the demand and supply side; or helping officials devise the detail of policies so that they are workable.

Since the 2007–8 economic crash we have stressed the need for policies to assist home buyers to address the shortage of high loan-to-value mortgages. We have worked closely with officials in Government departments and the Homes and Communities Agency (HCA) to design and implement HomeBuy Direct, FirstBuy and NewBuy, the scheme we originated with the CML. These schemes have helped tens of thousands of buyers to bridge the deposit gap and thus allowed us to build more homes.

The Chancellor's 2013 Budget announcement of Help to Buy Equity Loan (HtB1), that built on earlier schemes; and the Help to Buy Mortgage Guarantee scheme (HtB2), which is modelled on key elements of the NewBuy scheme, were much more significant interventions. They clearly demonstrated Government appreciation of the social and economic benefits of delivering more homes.

We have met regularly with senior politicians, including directly with the Prime Minister and Chancellor, to stress the benefits of increasing supply and there can now be no doubt that this message is understood across Government at all levels.

Convincing Treasury was vital and it became quite clear during 2013 that, along with No.10, Treasury was directly driving large areas of housing policy. During the year we started to see the direct benefits in terms of increased housing output and job creation that we have always stressed to policymakers would happen in response to these interventions.

It almost immediately became clear that HtB1 was going to be a big success for most builders. In its early months it easily outstripped all previous schemes, bucking the trend that such schemes start slowly. Throughout the year it averaged around 2,500 reservations a month – a considerable contribution to sales figures. This in turn allowed house builders to increase supply more quickly and invest in land and labour.

As the year progressed, we saw a strengthening of all indicators, demonstrating a significant increase in house building activity. Our own Planning Pipeline reports, detailing the number of planning permissions granted, showed steady increases for each quarter and a 24% year-on-year increase for 2013. CLG's figures showed house building starts were up 23% year-on-year – 30% in the nine months after the launch of Help to Buy. NHBC's registration figures showed a year-on-year rise of 28%.

After a very difficult few years, it was clear things were improving.

On the supply side much of the year was taken up with the monitoring and implementation of the National Planning Policy Framework (NPPF). 2013 was the year that the NPPF really started to bed in, and whilst the big increase in activity has been largely down to HtB1, the positive planning principles of the NPPF also undoubtedly helped deliver an increase in the permissions granted.

Using additional contributions from the Major Home Builders and other members we were able to recruit two further regional planners. This allowed us to represent the industry at every single Local Plan Inquiry. Throughout the year it proved an extremely valuable exercise as time and time again, Inspectors, on the basis of our evidence, took decisions in the industry's favour. As we enter 2014, we will continue with this invaluable work and are committed to representing the industry at every Local Plan Inquiry.

Throughout the year we provided Government with evidence of the threat the planning system continues to pose to increased supply. Whilst the new system is definitely an improvement, there is still a long way to go before it is delivering the amount of land required to meet housing need, or indeed the new levels of demand driven by HtB1.

Overuse of pre-commencement conditions by Local Authorities was one issue, for example, that we raised with Government. The Autumn Statement reflected the need for tweaks and improvements to the system – including on the unnecessary prescription of pre-commencement conditions – and we will continue to monitor progress as the NPPF moves towards its second birthday.



Executive Chairman's report 2013

We worked with the HCA on Get Britain Building; along with Public Land Disposal which has seen the HCA assuming an ever more important role. In all our regular meetings with the HCA, involving specialists from member companies, our focus is always on drawing on the experiences of members to help make these schemes work better. Many of the design and operational improvements to these schemes have been a direct result of our discussions and representations made on behalf of the industry.

We worked extensively on CIL, employing Savills to represent the industry at numerous CIL charging schedule inquiries and, following a discussion with the Prime Minister, HBF joined a working group to look at how the CIL regulations were being implemented and how they could be improved. This resulted in significant amendments to the regulations being announced late in 2013. Again, we will continue to push for sensible CIL levels and regulations in 2014 and beyond.

Excessive regulatory costs are of course a big constraint on supply and we used every opportunity to remind Government of its commitment to its 'One in, two out' rule. I said on these pages last year that cuts in regulatory costs were one area where we didn't see the progress we would have wished in 2012, and the same could be said again about 2013. We will keep pushing.

The Housing Standards Review had the potential to cut regulatory costs and we thus devoted significant time to it. We secured places for HBF members on the various review panels and submitted a consultation response in October. Our main point has been that any standards deemed necessary should be national ones and local authorities should not be able to impose others above those at a local level. *(The Government response to the Consultation was published in March 14. We await full details. In areas where there is still a lack of clarity we will continue to push Government to ensure that the eventual standards are workable, sensible and crucially, don't impact on viability.)*

On the technical front, throughout the year we stressed to Government – both informally and in more formal letters to Ministers – our concerns about the general lack of progress with Part L and the zero carbon agenda and the problems caused by uncertainty. The proposals on Part L published in the summer were thus welcome and proved not as onerous as they could have been. These are to be implemented in April 2014, much later than Government initially anticipated. In addition, we agreed a year's transitional arrangement. We also worked hard to ensure the Allowable Solutions consultation document was sensible and we thus welcomed the proposals it included. Government shared our view that it should be the developer's choice as to which of the range of options should be used. We submitted a response in the autumn.

We also had success with regards to changes to the Adoption of Private Sewers and Mandatory Build Standards. Defra had submitted its Impact Assessment (IA) to the Regulatory Policy Committee (RPC), who decide whether an assessment is satisfactory. However, HBF examined the IA and found many flaws in it and so we submitted our own analysis to the RPC based on

industry costing's previously prepared. The RPC subsequently ruled that the IA was not fit for purpose. We are now working with the water industry to find a more practical and workable solution which will be presented to Defra.

We also devoted considerable time in 2013 to SuDS. This may not be the most high-profile subject, but it became clear towards the end of the year that the measures necessary to allow local authority SuDS Adopting Bodies (SABs) to begin approving SuDS from April 2014 were not going to be in place. Unless the April deadline was postponed, we would face many site starts in 2014 being delayed, a disastrous outcome in view of all the Government initiatives to boost home building. *(I am very pleased to say that the Minister wrote to inform us in March 14 that the deadline was finally to be postponed – just days before it took effect.)*

In 2013 our Retirement Home Builders Group led a campaign to raise awareness of the need to make proper provision for housing for this growing segment of the population. The campaign was launched at a Westminster event in the autumn by Esther Rantzen CBE. It generated significant interest with politicians and the media and the Campaign for Housing in Later Life will continue in 2014.

For the first time we also held a major event to mark the publication of the HBF Customer Satisfaction Survey results. The results were again outstanding and showed customer satisfaction at its highest since the survey began back in 2004. 91% of the nearly 30,000 respondents to the survey would recommend their builder to a friend; whilst the same proportion were satisfied with the quality of their home. These results demonstrate the strides that the industry has made and that consumers are overwhelmingly happy with the service house builders are delivering.

At the event, the then Housing Minister Mark Prisk presented plaques to participating builders, commending them heartily on a fantastic achievement. The Star Rating scheme is now widely used as a marketing tool by HBF members and, as we move through 2014, we will be looking to get more members involved.

A parliamentary event was also held to promote the re-launch of the Building for Life scheme. BfL12 has been well received by home builders, Government and stakeholders alike, with more and more schemes now achieving BfL12

As in previous years, HBF undertook significant activity at the autumn party political conferences and initiated a contact programme with politicians of all political colours throughout the year.

With the next election starting to loom we are looking to work closely with the Labour Party as it develops its housing policies. In the latter part of the year we began to engage closely with the Lyons Housing Review that was announced at Labour Party Conference in September, and which is intended to inform Labour's manifesto for the 2015 General Election. This will form a major part of our workload in 2014.

As in previous years, we made submissions to Treasury in advance



Mark Prisk, then Housing Minister, speaking at the HBF Policy Conference 2013

As we enter 2014 HBF will continue to press for policies that ensure economic stability for our industry; for a planning system that delivers the land we need; for a regulatory regime that is practical and realistic and for assistance for smaller builders.

To do this we will continue to work with all the relevant government bodies and agencies; as well as all political parties as the general election nears.

In the summer the Board and the executive team met to assess and discuss HBF's priorities. It was agreed that in addition to continuing to focus in the many areas we have done over the past few years, we would also prioritise four particular areas; skills, communications, London and the already formed Retirement Homebuilders Group.

As we look to increase supply I am very aware of the importance of the image of our industry. A positive perception of our members and their product will not only help us sell more homes, but also make negotiating the planning process easier and allow us to attract the best young people into our industry. As such, our new Marketing and Communications group will be leading a project in this regard.

We will also focus on the skills agenda. As we look to increase supply we will need to recruit more of the very best people into our industry.

I am also conscious of the very specific issues faced by members building in London. We have thus set up a London Group to look at how HBF can assist improve the climate for development in the Capital.

Moving forward, it is imperative that we do not rest on our laurels and build on the progress made in 2013. We are still only building around half the homes the country needs and there are many barriers to addressing that shortfall. 2014 will be another critical year and be assured all of us at HBF will continue to do all we can on your behalf.

I would like to thank the HBF staff on behalf of all the board. It is a small team and to achieve so much is testament to their hard work and skills and a great reflection on them all.

I would also like to thank my fellow board members. Their guidance ensures we are pointing in the right direction and allows us to deliver on your behalf.

Finally, Paul Pedley OBE, who has acted as Treasurer, and Andy Yallop are both shortly to stand down from the board. Their measured advice and support over many years has been invaluable both to me and the general direction of HBF. In addition, I would like to thank Richard Price, who after nearly eight years sterling service for HBF in Wales has moved on. On behalf of everyone associated with HBF I would like to thank them wholeheartedly. I wish them well for the future.

I would also like to place on record my thanks to the very many of you who assisted us in our office move. Purchasing our own office gives HBF certainty and security for the future and I look forward to welcoming many of you to HBF House in Waterloo in the near future.

of the Budget and Autumn Statement to ensure they were aware of what our industry felt was required to assist us meet the Government's stated ambition of increased housing supply. In addition, HBF responded to a number of important consultations.

We are very aware of the fact that the economic downturn of recent years has hit small developers very hard. Mindful of this, and of their particular needs, we facilitated a meeting between small builders and officials. Government realises the part small developers have to play as we look to increase supply and we worked with all parties on initiatives such as custom build to make them as workable as possible.

We also worked closely with small builders to ensure Government was aware of the issues they faced with regards to securing development finance and proposed to Government some suggestions as to how best to address this.

In Wales, having quickly convinced the new very pro-house building Housing Minister that house builders in Wales desperately needed a comparable scheme to HtB1, we worked very closely with officials in the Welsh Government to design a scheme. We were able to draw on member expertise with the English scheme to inform our Welsh discussions and Help to Buy Wales was launched on 2nd January 2014. When you consider that whilst England has had a number of such schemes, including FirstBuy, Homebuy Direct and NewBuy, Wales has never had any demand side support measures, it is clear why it was so welcome. I anticipate it will have a similar impact to the scheme in England.

Throughout the year HBF continued to represent the industry in the media to ensure the industry perspective was covered and argue the need for more housing and help to promote the positives behind schemes such as the HtB1. HBF directors undertook numerous interviews on local and national TV and radio, including on all the major BBC, ITV and SKY news programmes such as Today, Panorama and Newsnight. HBF provided background and quotes for all relevant national, local and trade publications.

HBF events saw leading political and industry figures speak to sell-out audiences. A particular highlight was Danny Alexander's appearance at our Housing Market Intelligence event in October.

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

In summary, I think we will look back on 2013 favourably. After many difficult years, we finally started to see some positivity return to the market and our industry. However, there is still much to be done.



John Slaughter
Director of External
Affairs



David O'Leary
Deputy Director
of External Affairs

The political profile of housing continued to grow strongly during 2013. We entered the year with house building still clearly seen as a key part of plans for economic recovery by both the Government and Opposition.

This focus remained, but the wider political importance of housing also became increasingly evident during the year as the main parties began to gear up for the general election in 2015.

For the Government the announcement of the Help to Buy schemes in the Budget aimed to decisively increase the level of housing construction, but was equally a measure designed to help meet peoples' aspiration for home ownership that was otherwise being frustrated by the prevailing conditions.

For its part, the Labour Party identified housing as one of the issues it saw as key to its general election platform. Its leadership spoke in

terms of peoples' difficulty in entering the housing market as part of its political narrative on the "cost of living crisis".

For housing this culminated in the establishment late in the year of the Lyons Commission to advise Labour on the policies needed to achieve Ed Miliband's objective of building at least 200,000 homes a year by 2020 announced at the party conference. We met with Sir Michael immediately after his Commission was formally launched to set out our broad position on the key issues and are continuing to engage closely with the review process and to facilitate input from our members.

The year also saw a further change in ministerial and shadow ministerial personnel. Mark Prisk stood down as Housing Minister in the autumn and was replaced by Kris Hopkins, while Stephen Williams succeeded Don Foster as Buildings Regulations Minister. Shadow Housing Minister Jack Dromey moved to a Home Office brief with Emma Reynolds taking on the housing portfolio for Labour.

We acted quickly to form relationships with the new housing spokesmen and met Ministers and Shadow Ministers regularly through the year, including at the party conferences – where we held informal discussions with the front bench spokesmen in which we involved HBF members. We also held successful fringe events at both the Labour and Conservative Conferences – with Jack Dromey and Planning Minister Nick Boles respectively speaking at these.

In addition, we continued to run a contact programme with politicians of all political stripes throughout the year. As well as bilateral meetings with parliamentarians, we again organised successful parliamentary briefing meetings for Government and Opposition MPs on current housing issues and will continue with these.

The growing public focus on housing meant that our dialogue with other trade, business, professional and non-governmental bodies intensified. We discussed a wide range of issues with such bodies and



David Cameron on a housebuilding site promoting the Help to Buy equity loan scheme

there continued to be a wish across the housing sector to try to speak as far as possible to the political world with common or at least complementary messages. This was epitomised again by the Homes for Britain campaign which held successful receptions at the Conservative and Labour Party Conferences and was used by HBF and other housing bodies as branding for all their conference fringe events.

The spread of issues with which we were involved was extensive. Political interest stretched from the impact of the Government's stimulus measures and planning reform through technical issues to design quality and skills. As recovery in the housing market became more evident through the year, the focus on the home building industry's response also began to grow and this trend is likely to continue as we approach the general election.

HBF responded to a number of important government consultations during the year – including proposals for Allowable Solutions under the zero carbon policy, the Housing Standards Review and a Defra Green Paper on Biodiversity Offsetting.

HBF worked with members on all of these to submit substantive responses which set out a clear view on how policy and regulatory thinking could be taken forward in order to facilitate housing delivery rather than adding to complexity and barriers to business. These representations were well received by Government and discussions are continuing on the follow up to all three consultations. HBF was also asked to give evidence to the House of Commons Environmental Audit Select Committee on both the Housing Standards Review and Biodiversity Offsetting.

The latter was a new issue and the position of trust and influence that HBF has achieved in its dealings with Government was demonstrated by the desire of Defra Ministers to involve us closely from an early stage in discussions on their proposals – including speaking at an initial Summit on offsetting held by Secretary of State Owen Paterson in the spring.

We also continued to work with our partners to develop the revised Building for Life 12 (BfL12). Following a parliamentary event early in the year to promote BfL12, we have been working to establish an agreed means for home builders to obtain public recognition for projects that meet the full set of BfL12 criteria.

We acted quickly to form relationships with the new housing spokesmen and met Ministers and Shadow Ministers regularly through the year, including at the party conferences



After five years of economic winter, the British economy finally sprang back into life in 2013. By the end of the year growth had accelerated, unemployment was falling, employment was rising, inflation had fallen back and bank rate remained at a 300-year low.

John Stewart Director, Economic Affairs

UK housing transactions in 2013 rose 15% to 1.075 million, the highest annual total since 2007, although still 36% below the 2006 peak. Mortgage approvals jumped an even more dramatic 21%, with approvals in the final quarter up by a third. First-time buyer numbers rose to 268,800, again the highest since 2007. The average first-time buyer percentage advance has been stuck at around 80% since the beginning of 2011, but there has been some easing in the availability of higher LTV mortgages. Net mortgage lending, a key mortgage indicator, rose 11%, although the 2013 total was only 10% of the net lending peaks in 2006 and 2007.

The Funding for Lending scheme's support for household lending, which had helped boost housing market activity in the early months of 2013, was withdrawn early without protest, a sign of rising confidence among lenders and house builders.

For most home builders the most important economic news in 2013 was undoubtedly the Help to Buy Equity Loan scheme, commonly known as HtB1. Announced in the Budget on 20th March and introduced only 12 days later (1st April), it transformed the market for new homes. In the first nine months of the scheme the Homes and Communities Agency (HCA), who are managing the scheme, recorded 12,875 sales and 22,000 reservations.

HtB1 had an immediate, dramatic impact on house building activity. In the nine months April to December, private housing starts in England rose 30% on the same period of the previous year, an especially remarkable increase because activity in 2012 had already been boosted by the FirstBuy scheme.

Unlike many earlier initiatives, which had tended to be taken up by larger home builders, HtB1 benefitted builders large and small. By the end of the year the HCA had registered 1,200 home builders for HtB1, 94% of which were small and medium-sized companies.

HBF's work with the HCA over several years to improve the day-to-day operation of HomeBuy Direct and then FirstBuy clearly had an

impact on the scheme's design, which undoubtedly helped it get off the ground quickly.

Help to Buy Mortgage Guarantee, known as HtB2, appears to have had only a muted impact on new build, not least because several major lenders either did not operate the scheme for new build or they have not taken part in the scheme at all.

Our own scheme, NewBuy, designed to offer 95% mortgages and on which HtB2 was modelled, started the year strongly, but HtB1 inevitably had a significant impact on sales. Our intention is to continue with the scheme until its March 2015 end date.

The boost to new home production provided by HtB1 will have been very welcome to the Government, and particularly the Chancellor. There is a recognition that home building has a key role to play in boosting Britain's economic recovery. The Chancellor has also indicated that he is well aware of the need to tackle our long-term housing undersupply.



Within weeks of his taking office, HBF persuaded the new Welsh Housing Minister, Carl Sergeant, that house builders in Wales desperately needed a demand-boosting scheme like HtB1. Treasury had already allocated money for a scheme in Wales. HBF and members with experience with HtB1 in England worked closely with officials in the Welsh Government and Finance Wales to design a scheme which went live on 2nd January 2014.

We have continued to work closely with the HCA and GLA on HtB1, Get Britain Building, Affordable Housing and public land disposal.

For several years we have looked to increase supply in the Private Rented Sector (PRS) and encourage institutional investment. Early in the year we facilitated a series of meetings between individual builders and DCLG and Treasury officials to explore opportunities and develop policies. Following a massive early response to the Build to Rent scheme the budget was increased from £200 million to £1 billion. We then set up a special PRS Working Group for members and held a meeting with representatives from DCLG, Treasury, the DCLG PRS Taskforce and an institutional investor. Our objective was to help increase understanding between the various parties and explore whether HBF could do more to support activity in this area.

We also periodically discuss Affordable Housing funding and policy with HCA and GLA. House builders are key suppliers to the sector, so such discussions are key.

The input of HBF and its members helps ensure these initiatives work well at the coal face.

We are especially mindful of the sometimes special needs of smaller developers. HBF bought together a group of housing developers to talk to HCA and DCLG officials about the Government's proposals for expanding Custom Build and the role house builders could play. We arranged meetings and one-to-one discussions between smaller developers and officials at DCLG and the Cabinet Office to examine the barriers faced by SMEs, especially development finance. We also helped coordinate meetings with HCA officials at which smaller developers discussed the detailed operation of HtB1.

As always, we kept in close touch with officials across Government, including No.10 Downing Street, Treasury, DCLG, Cabinet Office, BIS, Defra and the Bank of England, as well as working with the major lenders and the CML.

Our behind the scenes work is well illustrated by our work with the lenders on valuations and support for new home building. Until a couple of years ago, only one lender had a dedicated new build person and one major lender required new homes to be valued as second-hand. We cannot claim all the credit, but our quiet, ongoing work with lenders and valuers has helped transform the situation. Four of the major lenders now have dedicated new build staff and all now value new homes as new.

Danny Alexander MP, Chief Secretary to the Treasury speaking at HMI 2013





It was a busy year on the technical front with a range of issues and consultations, many with a significant bearing on housing delivery, coming to the fore.

Dave Mitchell Technical Director

Work on the Government's Technical Housing Standards Review, which started in the latter part of 2012 continued through the year. The steering group, and various working groups on individual standards areas, set up by DCLG, continued their work, all with HBF representation. The working groups reported back via the steering group to Government in April 2013. A consultation was launched in mid-August and ran until end of October.

As the Review had the potential to cut regulatory costs we devoted significant time to consulting members and preparing our submission.

HBF's view has always been that if there is justification for a new or higher standard, that can be supported by a robust evidence base, and passes the viability test, then it should be in national Building Regulations and not in local standards adopted piecemeal in local plans. Our response strongly reflected this view.

(The Government's response to the consultation was published in early March 2014. HBF is making further representations to Government to ensure we fully understand the implications of the proposals and will then respond accordingly.)

Early in 2013 HBF attended a workshop held jointly by DCLG and the Zero Carbon Hub on the Allowable Solutions element of the zero carbon homes policy. The purpose of the workshop was to identify issues that the industry felt would need to be addressed within a future Allowable Solutions consultation.

HBF worked hard to ensure that the consultation document was broadly in line with the approach that HBF had been promoting, and we were pleased with what emerged.

The 'Next steps to zero carbon – Allowable Solutions' consultation was released in mid- August and ran until mid-October 2013 and a HBF member group was set up to develop the industry response.

The consultation suggested that house builders be allowed the choice of a range of options for meeting Allowable Solutions requirements. These range from additional measures on or close to a development, to a simple payment into a fund which would source suitable projects from bids made to it by Allowable Solutions providers. The fund holders would then certify to Building Regulation sign off. *(In March 2014, we were still awaiting the outcome of the Consultation.)*

On the Building Regulation front, minor changes were made to Approved Documents Part A – Structure and Part C – Site preparation and resistance to contaminants and moisture.

The most important announcement with regards to Building Regulations was the release in November of the new Approved Document Part L 2013 – Conservation of fuel and power in new dwellings.

This regulation will apply to new works from 6th April 2014 and carries with it the same transitional arrangements as for 2010 Part L. Thanks in part to HBF work, the requirements are less onerous than they might have been.

Further important HBF work behind the scenes took place on two major changes in the Flood and Water Management Act (FWMA), the adoption of private sewers and Mandatory Build Standards (MBS) and the adoption of Sustainable Drainage Systems (SuDS) and standards.

We had become so frustrated at the lack of progress on private sewer adoption and the MBS, and the potential cost implications for builders, that we persuaded Treasury and No.10 to take a close interest. Their focus is the policy's impact on housing delivery rather than detailed technical issues. By elevating the issue within Government we felt there was a much better chance of resolving the many outstanding issues.



As a result, HBF and Water UK, with whom we had previously signed a 'memorandum of understanding', committed to work more closely together to resolve any issues with regards to the adoption of private sewers and enable an agreed set of solutions to be presented to Government.

HBF has also for some time now been involved in discussions with Defra on SuDS where we encountered the same kinds of problems as with the adoption of private sewers and the MBS.

Defra had announced that from 6th April 2014 house builders would be required to obtain approval for surface water drainage schemes for pretty much every new site from one of the new SuDS Approving Bodies (SABs), and that without SAB approval work on site could not start. During the autumn it became clear that there remained many outstanding issues before the new process could come into effect, particularly the readiness of the 152 new SABs to process SuDS applications from home builders.

We raised our strong concerns that without SABs in place house builders would not be able to get the necessary approvals, thus delaying planning permissions and work starting on many new sites. The clear potential impact of this situation on housing production was very concerning.

In addition, Defra had not addressed other major issues, including access to water courses or public sewers across third-party land. The absence of a suitable requisition regime for such cases has the potential to significantly increase costs and potentially make some sites undevelopable.

Again, HBF worked closely with officials at No.10 and Treasury, as well as Defra and DCLG, to ensure these issues were recognised and addressed. As a direct result Defra has established a special project group of key stakeholders, including HBF, to oversee the introduction of SuDS adoption. We secured a deferral of the 6th April 2014 deadline to allow Defra to finalise the necessary documentation, and county and unitary authorities to ensure the 152 SABs are fully set up and ready to process applications.

We are also working with officials and in the process of submitting a response to the consultation on Biodiversity Offsetting. This again has cost implications for builders. In response to growing concerns over costs we set up a Bonds group to look at all aspects of Bonding provision

The HBF Health and Safety Forum continued to collate accident figures and produced an annual report. This once again showed that the average incidence rate recorded by HBF members was lower than the construction industry average. During the summer months the Forum ran a successful Sun Safe Campaign promotion.

In October both the HBF National Technical Conference and HBF National Utilities Conferences took place. Both were very well supported with good positive feedback from attendees. HBF regional technical meetings continued throughout the year in each of our eight regions. These remain very popular with members and enable HBF to look at and take back relevant issues to the National Technical Committee for consideration.



Andrew Whitaker
Planning Director



James Stevens
Strategic Planner



Sue Green
Midlands & South
West Planning
Manager



Matthew Good
NW, NE, & Yorkshire
Planning Manager

With the National Planning Policy Framework (NPPF) reaching its first birthday in March (and the subsequent triggering of the implementation clause in paragraph 214 regarding the weight to be given to older plans) much of the year was taken up with the monitoring and discussions over its implementation.

This has been both with development plans and through the appeals process.

Through an additional levy from the Major Home Builders Group and other additional contributions from HBF members, we recruited two more regional planners, allowing us to make representations and attend the public enquiries of ALL emerging local plans.

This involved the HBF Local Plans Team making representations on more than 40 emerging plans since September 2012 and appearing at 18 Local Plan inquiries – with some considerable successes.

The two major topics of dispute generally revolved around the principal requirements for plans to address objective assessment of housing need; and the duty to cooperate between local authorities.

In order to assist local authorities to have a common starting point for undertaking their objective assessment of housing need we worked alongside others to create the What Homes Where? website. This is a free to use portal that collates official Government data and displays it in easy to understand charts and graphs

derived from the official ONS population and household projections. The evolution of the tool to How Many Homes? has meant that these official figures can be examined in many ways in order to provide a common baseline against which to measure emerging strategies for housing provision.

Unfortunately, the publication of the new interim 2010 based dataset has thrown up new challenges for the model as the new figures cover only a ten year period, rather than the 20 years of the 2008 based figures. However, we are expecting to be able to update the links and analysis tools using the new 2012 based figures later in 2014.

2013 finally saw the revocation of the Regional Strategies (RS) across the whole of England. Despite this proposal being one of the flagships of the new Government's planning reforms, and being widely awaited by local authorities, it has thrown the production of local plans into turmoil, requiring instead that local authorities work together under the duty to cooperate. This appears to be proving very difficult for many authorities, particularly the rural hinterland authorities around major urban areas who are being asked to accommodate outward migration and urban growth into their authority area.

The lack of a "larger than local", strategic plan has led to many emerging plans being found unsound due to this lack of cooperation. Many previously constrained areas have had to face up to meeting their own objectively assessed needs for housing.

The presumption in favour of sustainable development and the need for local authorities to maintain a five year housing land supply has had a very positive effect on securing more planning permissions throughout the year. With regard to S78 appeals HBF has been monitoring both positive and negative decisions that have relied on the NPPF; in particular both the Planning Inspectorate and the Secretary of State's approach to the application of the presumption and the weight now being placed on a lack of a deliverable five year housing land supply.

As part of that process we have been liaising with the Planning Inspectorate over the interpretation of the NPPF. HBF gave a presentation at their national training day on the issue of objective assessment of housing need and the calculation of the five year housing land supply.

Much of the new suite of planning guidance set out in the test version of the DCLG National Planning Practice Guidance (NPPG) website that went live during the year, reflects the work that HBF has done on the implementation of the NPPF. This is particularly the case with regard to the recommended methodology of Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA). Similarly, the new guidance recommends that previous underprovision of housing should, where possible, be made good within the next five year period rather than over the remaining plan period (the Sedgfield methodology rather than the Liverpool approach). This was advocated and supported by HBF after considerable discussion amongst the membership of the pros and cons of each approach. The final suite of guidance should be published early in 2014.

The implementation of the Community Infrastructure Levy (CIL) has also played an important part in our work over the past year. The high level work we have undertaken with Savills over viability methodology discussions with the various consultants currently undertaking this work for a large number of local authorities has complimented the direct representations being made on emerging core strategies.

Following a discussion with the Prime Minister of our concerns on the implementation of CIL, and its potential to reduce viability and thus overall levels of development, we were part of a Government task and finish group looking closely at potential problems with the CIL regulations and recommending changes. These were reflected in a consultation document earlier in the year and were laid before Parliament late in 2013 with implementation early in 2014.

We continue to present Government with concerns from the industry of planning threats to delivery of an increase in housing output. A recent campaign focussed on the effect of an increase in the number of conditions being placed on planning permissions meaning sites were being delayed from commencement while these conditions were discharged. We are currently discussing this issue with both DCLG and representatives of local planning authorities.

Government made a commitment to address this issue through its Autumn Statement in December, alongside a number of further changes to the planning system and process. We will be spending much of the first half of 2014 working closely with both DCLG and others to ensure that these changes help, rather than hinder, the continued increase in delivery of implementable planning consents, and ultimately lead to the increase in housing output that the country so desperately needs.

Nick Boles MP at the HBF Planning Conference 2013



Media & communications



Housing issues have continued to figure prominently in the media, with the launch of the Help to Buy scheme generating huge levels of interest. HBF was seen as the go-to body for comment and information and, as such, it was an extremely busy year.

Steve Turner Head of Communications

Throughout the year, HBF's media team provided hundreds of briefings for the print and broadcast media. HBF staff undertook numerous interviews for national and local TV and radio. These included for the main flagship TV news bulletins and mainstream programmes such as Newsnight, Radio 4's Today Programme and the BBC's Countryfile, as well as frequent appearances on local TV and radio stations across the country as housing issues became mainstream discussion subjects.

Help to Buy played a significant part in generating media and public attention. The level of interest was phenomenal, with seemingly endless column inches given over to critics and supporters of the scheme alike.

HBF had been vocal in the media calling for such a scheme before it was announced. We were, of course, suitably positive when the scheme was launched and throughout the year we were prominent in the debate as supporters of the scheme.

We worked hard to try and ensure the debate was informed and, in particular, that people understood the difference between the two very distinct Equity Loan (HtB1) and the more contentious Mortgage Guarantee (HtB2) parts of the scheme.

We also worked closely with Government to demonstrate the positive impact the HtB1 scheme was having on supply. HBF issued regular updates to the media on the number of reservations made through the scheme, and as the year progressed, details of how the scheme was leading to increases in house building activity in terms of new starts/ planning permissions granted/ registrations etc. The releases and briefings highlighted the social benefits this would have in terms of addressing housing need as well as the economic boost and cited the number of jobs that increased levels of house building would be providing in communities up and down the country.

We worked with various Government departments to facilitate visits to house building sites for Ministers to meet HtB1 new home buyers and house building apprentices; as well as visits to new or reopened brick

factories to highlight the wider economic benefits in the supply chain. More generally, the team's objective throughout the year was to promote the industry wherever possible and robustly respond to criticism or inaccurate reporting. This involved proactively issuing regular public statements and providing comments for inclusions in articles as well as providing background briefings to inform journalists writing stories.

Reactively HBF had some success in rebutting the Labour Party's attacks on the industry for land hoarding, or "land banking". After claims by party Leader, Ed Miliband, in his main speech at conference, a number of newspapers used HBF data to challenge his calls for a tax on land. This does, however, continue to be a regularly visited issue and one HBF will continue to respond to.

Proactively throughout the year we issued a number of reports to the media including the regular Housing Pipeline reports detailing planning permissions granted. A third iteration of our Broken Ladder report – 'the locked out generation' – highlighted the difficulty young people have buying a home.

HBF also provided media briefings and comment following the Budget and Autumn Statement.

Our web presence continues to increase. The website, hbf.co.uk, is a valuable source of information which is updated very regularly. Meanwhile, HBF's social media presence continued to grow throughout 2013 and we now have in excess of 10,000 followers on Twitter. HBF 'tweets' on a daily basis and is followed by a very broad range of politicians, journalists and stakeholders.

HBF's senior management team are widely recognised as experts in their field and were regular speakers at events and conferences throughout the year. Our own HBF events were well attended and featured lively debate. Speakers included ministers and politicians of all political persuasions as well as wider sector figures such as Sir Simon Jenkins, whose comments at HBF's policy conference in March landed him on the front of the *Daily Mail* the following day.



Industry image

The need for the industry to work together to improve general perceptions of house builders and new homes has become increasingly clear, especially during the difficult period from which we are now emerging.

Whilst our Customer Satisfaction Survey shows that overwhelmingly people who actually buy a new home are happy with the service and product we provide, the impression held by the public in general is somewhat different.

The New Homes Marketing Board (NHMB) has in the past managed such initiatives but at its AGM in November, the NHMB committee recognised that for various reasons the organisation's effectiveness had diminished in recent years and a fresh approach to industry marketing and communications was required.

Following a lengthy discussion it was decided to transfer responsibility for coordinating such industry activity to the HBF. It was felt that whilst in the past there was possibly a need to distinguish between the industry's stakeholder messaging and consumer messaging – hence why NHMB was set up initially – that distinction has become more blurred, and with HBF already doing a lot more consumer messaging there was no longer a need for a separate voice.

The committee thus decided to suspend the NHMB's marketing operations with immediate effect, but agreed

that NHMB will provide support and assistance to HBF as it develops its communications strategy.

Whilst HBF has increasingly undertaken work in this regard, nothing has previously been formalised. The need for a proactive approach, using a wide range of communications channels to reach various target audiences, has become apparent as the value of social media has grown and audiences become more sophisticated.

To address this, a new HBF Marketing and Communications Group was established and met for the first time late in the year.

The Group is developing plans for a long term strategic campaign to improve the industry's image. Doing so will not only prove beneficial in terms of selling homes but in many other areas too. If we can help communities understand the benefits new development brings, it could ease the passage of planning applications for example; and as we look to increase housing supply, we need to be seen as an industry of choice if we are to attract the best young people into our sector.

As we enter 2014, HBF is looking to recruit a communications professional to assist the existing team work with the newly established Group to develop and implement a plan to deliver the overall objective of improving our industry's image.



Committees

National Technical Committee

During the year the HBF's National Technical Committee (NTC) met four times.

NTC received regular updates from NHBC, Robust Details and the Zero Carbon Hub.

In terms of Building Regulations, we now know the outcome of the Part L consultation. The much reduced energy performance requirement in it is (in part) due to the considerable technical input from both the HBF and its individual members aided by the Zero Carbon Hub.

Much discussion took place surrounding the Flood and Water Management Act. The further delays to the introduction of both the Mandatory Build Standards (MBS) for adoptable private foul sewers and the SuDS Standards was disappointing given the earlier and quite considerable technical investment made by HBF. On both counts throughout the year HBF continued to be involved in frequent discussions with Defra and other stakeholders in order to resolve a number of major issues. This work will continue well into 2014.

NTC also looked at and advised on the Government consultations surrounding the Housing Standards Review and Next Steps to Zero Carbon Homes – Allowable Solutions. Both of these are key consultations that affect housing delivery and could also impact on our progress towards low carbon homes by 2016.

NTC also continued to look at Section 38 commuted sum payments and payments for the provision of postal addresses. Guidance on both counts was issued to HBF members.

Finally, as a result of planned changes in competition within the water and sewerage sector, HBF engaged on a more frequent basis with the regulator Ofwat. During these meetings the vexed issue of network reinforcement, in addition to the payment of infrastructure charges, was a recurring theme.

Work in all these areas will continue in 2014, which is already being seen as a year of increased technical challenges.

Steve Wielebski
National Technical Committee Chairman

Health and Safety Committee

The Health and Safety Forum continued with its proactive work in raising safety standards within the home building sector.

During the year the Forum met four times and received regular updates

from NHBC, HSE and other Health and Safety interested parties. In February, the forum re-launched its Health and Safety charter with the objective of providing further focus to work collaboratively to drive further improvements in performance within the industry. The charter has 38 signatories ranging from the large national to medium sized regional home builders.

A key part of the charter has been to develop an annual action plan and to review and agree principles that all members could apply within their own organisations. This has resulted in agreements to implement the following;

- Development health and safety consortium agreement
- Minimum health and safety training for direct employees
- Minimum health and safety training for contractor supervisors
- A guide to a homebuilding scaffold specification
- A guide to manoeuvring roof trusses
- A campaign to raise awareness of the risks of skin cancer from exposure to direct sunlight was carried out in July/August. More than 60,000 awareness leaflets were issued to workers and 4,400 posters displayed in site offices.

The prevention of ill health and injury remains a principal area for review by the forum. Data on injuries and ill health continues to be collected and compiled and information from this goes forward into the annual action plan.

The forum will continue to drive and raise awareness of high standards of health and safety within the industry.

Vince Coyle
Health and Safety Committee Chairman

Careers Committee

The Committee continued to meet regularly through the year to discuss skills and training issues of interest to home builders.

Further work was undertaken on the Committee's initiative to develop an apprenticeship framework for sales and marketing recruits. After feedback from member companies, it was agreed that this could be based on the adaptation of an existing property services apprenticeship framework.

The sales and marketing apprenticeship was envisaged as a one year training programme that could be brought within the scope of funding support for the CITB Grant Scheme. Towards the end of the year, agreement was sought from the CITB Grant Scheme Working Party for funding at an equivalent pro-rata level to that for craft apprenticeships. Unfortunately, despite a sustained argument from HBF, the case for this level of CITB Grant funding was not accepted

and further thought is now being given to how this initiative can be realised.

The Committee discussed the scope for HBF member involvement in other skills initiatives, including the Government's new Employer-Owned Skills pilot scheme and the new University Technical Colleges.

It was a year of change for CITB with Mark Farrar stepping down as chief executive and the CITB being subject to a Triennial Review of its role and operations by the Government. The full results of this Review are still awaited.

During the second half of the year, the Committee discussed the scope for a new initiative to recruit experienced workers, including those leaving the armed forces, into house building and also contributed to the development of a new home building skills strategy as part of the Industrial Strategy for construction that was launched in July.

John Slaughter
Acting Careers Committee Chairman

Retirement Home Builders Group

The Group continued to meet regularly through the year under HBF chairmanship.

Its main focus of activity during 2013 was the development and launch of the Campaign for Housing in Later Life. The Campaign was conceived as a means of raising awareness of the under provision of housing for older people and the benefits of its improved supply. It has gained support from a range of housing providers and other bodies.

Independent research was commissioned from the think tank Demos to provide an evidence base for the Campaign. The resultant report, "The Top of the Ladder", found that some 3.5 million people over 60 nationally would be interested in buying a retirement property, with 33% of over 60s wanting to downsize. This contrasted with there being only just over 100,000 retirement properties to buy, despite the majority of older people being owner occupiers.

The research and the Campaign were launched at a very successful event in September chaired by Esther Rantzen CBE who gave her support to the Campaign. A distinguished cross-party political panel took part, including the Shadow Housing Minister. The event received good coverage in the media; it featured on BBC News throughout the day, including several items on BBC One; the *Daily Mail* ran an article on the launch as did other media outlets. HBF was interviewed by the Today Programme.

Together with Demos, the Campaign hosted fringe panel events at both Labour and Conservative Party Conferences in the autumn, with Esther Rantzen CBE again chairing. Supported by a website, the Campaign set out its policy asks for better consideration of the need for retirement housing in local plans, for its viability issues to be considered in setting CIL and for the Help to Buy scheme to be amended to help older people with affordability issues.

John Slaughter
(The Group changed its name to the 'Retirement Home Builders Group' from 'The Third Age Group' in February 2014.)

National Planning Committee

While the Government's commitment to planning reform and housing growth is, of course, very welcome it has meant that this year has been one of the busiest ever for the National Planning Committee and the regional planning groups around the country.

It is vital that, in such a dynamic period for planning, the regional forums continue to be a vibrant hotbed of discussion, direction and feedback of the practical implementation of national initiatives as they are delivered where it matters – in each local planning authority around the country.

I would, therefore like to thank the very active members in the regions for their continued support and input into the work of the National Planning Committee and the work of HBF dealing directly with local authorities and other local groups and bodies.

It is gratifying that the number of attendees at the meetings continues to rise, hopefully due to the fact that members believe that they are the best forum for learning about potential changes under discussion at a national level and for sharing experiences of the practical implementation of new planning processes being put in place.

Of course, the biggest challenge of the year was (and will continue to be so into 2014) the implementation of the National Planning Policy Framework (NPPF). I am, therefore, very pleased that HBF members have enabled the expansion of the planning team around the country. Engagement with local authorities in the coming year will be essential, not just for the HBF but for individual HBF member companies and the National Planning Committee will continue to ensure that our voice is heard in the national, sub-national and local corridors of power.

Lee Bishop
National Planning Committee Chairman

Small Developers Group

The Small Developers Group (SDG) was formed in 2006 to give added representation to those members not included in the Majors or Metropole Groups. I believe the original joining criteria was for companies with a turnover below £25m. However we welcome anyone who wants to join us.

SDG usually meets three times a year at HBF head office and members from as far afield as the North West, the North East, Wales and South West regularly attend. HBF clearly take the issues faced by small developers seriously and our meetings are regularly attended by the full HBF senior management team. Occasionally meetings have been held at other locations including Building Research Establishment in Watford and Ideal Standard's bathroom showroom in Islington.

Meetings are a two-way information exchange that I believe are valuable to both members and HBF Management. Most meetings have outside speakers and recent attendees have included The Zero Carbon Hub, CITB, DCLG, Zoopla & Rightmove.

The last year has seen all three major political parties identifying SME builders as key to helping solve the housing crisis. In the 1930's over 4,000 builders delivered over 300,000 homes. Now we believe there are around 1,200 active builders, with the majority of the smaller firms struggling to access business finance and having difficulties with the planning system and land supply. The NPPF has assisted large firms quite considerably in the appeals process. But smaller companies who prefer not to or are unable to go to appeal are still at the mercy of poorly equipped local authority planning departments and this needs addressing.

As part of his ongoing review that will inform Labour's housing policies, the SDG was recently asked to attend at a full morning round table meeting with Sir Michael Lyons. A very useful exchange of ideas took place that I hope will inform future Labour Party policy.

HBF has represented smaller members well recently. Measures announced in the budget with regards to development finance in particular should start to assist SMEs and Government commitment to Custom Build is an additional opportunity for smaller companies.

Whilst there are still many challenges facing us, the demand for new homes leaves room for all sizes of companies. The SDG will continue to work with HBF to ensure SME interests are represented with Government so we can play our part in delivering more homes.

Steve Midgley,
Chairman, Small Developers Group

UEPC

Following the decision reached at the end of 2012, the UEPC continued to operate as an independent trade body during 2013 with its secretariat provided by the Brussels based public affairs consultancy, Newgate.

These arrangements proved successful with Newgate providing a good level of service through the year and implementing positive changes in working methods. A new regular newsletter on developments relating to the main EU issues affecting the industry was instigated which HBF has circulated to members.

Two main sets of meetings were held during the year at which economic, environmental and technical issues were discussed. The UEPC tracked discussions on the EU Mortgage Directive and the European Macroeconomic Imbalances reporting procedure. Detailed views were submitted on proposals to amend the Environmental Impact Assessment Directive and to the Commission's consultation on Sustainable Buildings. In addition, UEPC took part in discussion groups looking at different aspects of the Commission's work programme to promote the sustainable competitiveness of the construction sector. HBF and NHBC representatives took an active part in these activities.

Discussions were held during the year with a view to recruiting new members of the UEPC and both Malta and Norway joined the organisation for the first time, with the Netherlands reconfirming its involvement. Discussions with other potential additions to the UEPC membership are continuing.

It has been agreed that UEPC will operate on the same basis during 2014 with a further review of arrangements during the second half of the year.

John Slaughter



HBF is represented on UEPC by *Terry Roydon, Mike Freshney, Stewart Baseley, John Slaughter and Lewis Sidnick* of NHBC.

As well as the Committees listed here, HBF has a range of other Committees and Working Groups set up for members to meet and discuss relevant issues; or for members to meet regarding specific issues. Members wishing to join any of these groups should contact HBF. These include:

- Public Housing Initiatives Working Group
- Public Land Disposal Working Group
- GLA Group
- Private Rental Sector Working Group
- Marketing and Communications Group
- New Build Valuation Forum
- DCLG House Builders Forum
- Sustainability Group

Wales



I feel we have had a particularly successful year in Wales. This culminated in the launch of Help to Buy Wales at New Year that saw a support scheme introduced for home buyers in Wales for the very first time.

Richard Price Planning & Policy Adviser, Wales

Throughout the year we worked hard developing relations with Welsh Government Ministers. This allowed us to significantly raise the profile of the industry within political circles, and housing generally as a policy priority.

HBF is now being invited to sit on all the key Welsh Government policy formulation forums such as; the Housing Supply Taskforce; the review of the planning application process for housing development; and the review of Design Quality Housing Standards.

We were also invited to sit on key local authority forums, such as the Rhondda Cynon Taff Developers Forum, of which HBF is co-chair.

Key to all this was developing a strong working relationship with the Housing Minister Carl Sargeant. Mr Sargeant was appointed in March to replace Huw Lewis who we had also worked closely with.

Following his appointment, we held a number of meetings with Mr Sargeant and he is now a regular attendee at our MDs dinner meetings. This has allowed him to understand issues from an industry perspective. His general engagement with our members is also very positive – and is in contrast to some of his predecessors

We initially suggested the concept of – and need for – a shared equity scheme, similar to the Help to Buy Equity Loan scheme operating in England, to Huw Lewis. We then worked closely with Mr Sargeant and his officials on the idea and it was announced in November that the Help to Buy Wales scheme would be launched on January 2, 2014.

Help to Buy Wales should give the industry a real boost and should make a significant impact given that none of the previous shared equity support schemes that have operated in England have been adopted in Wales.

The U-turn on changes to Part L of Building Regulations was also a considerable success and came about directly in response to our comments and campaigning on the impact it would have on development viability. The decision means that there will effectively

be no change to the current requirements on energy efficiency in new homes, which was another very encouraging and welcome announcement from the Housing Minister.

We also managed to persuade the Welsh Government to postpone the introduction of the fire sprinkler legislation until 2016. Whilst frustrating that they are pushing ahead with this at all, the delay will at least give the industry more time to adjust.

We had considerable success in the Local Development Plan (LDP) process by influencing housing numbers, supply targets and affordable housing targets. Our main success here has been with regard to working more closely with Welsh Government officials in charge of the process and getting them to recognise our concerns. This has resulted in much more alignment between our positions at LDP examination sessions and given us an edge in influencing Inspectors to ensure we get more industry-friendly policies into LDPs.

Richard Price, who worked as HBF's representative in Wales for 7.5 years, moved on to a new role with a house builder at the start of 2014. We would like to thank him for all his hard work over the years that delivered significant benefits for the industry in Wales. We look forward to his continued involvement with HBF business in his new position. HBF is in the process of recruiting his successor.

HBF is now being invited to sit on all the key Welsh Government policy formulation forums



Housebuilder Media had a successful year in 2013 with events again proving particularly successful as the firm continues to lead the way in providing the housebuilding industry with business useful information and networking opportunities throughout the year.

Ben Roskrow Publishing Director

Jon Culshaw with the winners at the 2013 Housebuilder awards



The core of the business, **Housebuilder** magazine, continues to provide unrivalled coverage of the housebuilding industry. The magazine focused on the many issues impinging on the industry, including the launch and impact of Help to Buy, the progress of the NPPF, the relaunch of Building for Life, the future for Garden Cities and much more. As the media and marketing sector changes, maintaining advertising revenue in the magazine continues to be challenging, but new partnerships have been forged with clients to provide a range of routes to market, offering advertising, website presence and sponsorships.



Housebuilder Media's important online presence increased, with the website www.house-builder.co.uk attracting more than 11,500 registered visitors to its variety of news, blogs, jobs and event information. The website and digital media are now attracting significant revenue to the business.

The importance of events to the Housebuilder Media business continues to increase. The Housebuilder Awards, held in November at The Tower Hotel in London, was again a sell out. The Awards were presented by impressionist Jon Culshaw. Large Housebuilder of the Year went to Linden Homes, Telford Homes took the Medium Housebuilder award while St Modwen won the new Small Housebuilder of the year category.

HBM launched a new event in 2013 – the Housebuilder Product Awards, recognising innovation and excellence in the supply side of the industry. The Awards were held at Edgbaston cricket club in Birmingham in June and were a great success in their first year.

In October the annual Housing Market Intelligence conference and annual report launch (HMI) also proved popular with Chief secretary to the Treasury Danny Alexander addressing the industry as part of a strong programme. The HBF Planning and Technical conferences were well attended and successfully delivered.

Once again HBM organised the AGM for HBF in April as well as the Golf Day in the summer and the Ball in November.

Overall Housebuilder Media continues to thrive in its role of providing essential business information and networking opportunities to the industry in a market that is changing rapidly.

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HBF Ltd Board



Stewart Baseley
Executive Chairman



Philip Davies



Neil Fitzsimmons



Mike Freshney



Mike Gaskell



Malcolm Harris



Paul Pedley OBE
Hon. Treasurer



Pete Redfern



Stephen Stone



Andy Yallop

HBF Team

Mathew Good	Planning Manager, Local Plans
Sue Green	Planning Manager, Local Plans
Dave Mitchell	Technical Director
David O'Leary	Deputy Director of External Affairs
Michael Powell	Finance Director
Richard Price	Planning and Policy Adviser, Wales (left HBF in March 2014)
John Slaughter	Director of External Affairs
James Stevens	Strategic Planner
John Stewart	Director of Economic Affairs
Steve Turner	Head of Communications
Andrew Whitaker	Planning Director

HOME BUILDERS FEDERATION



The benefits of the major initiative to increase membership that commenced in 2009 continued to bear fruit throughout 2013, generating more than £425,000 of additional income from members who joined since 1st January 2009.

Michael Powell Finance Director

As reported last year, in 2013 HBF undertook additional work on Local Plans and CIL representations. This additional work was funded by means of a separate subscription from large and medium sized members. For clarity we have reported both the income and costs of these special projects separately from the general results. £330,000 of the additional subscriptions have been carried forward into 2014 to support the on-going work on this project.

In line with the wider economic climate, HBF continues to monitor and control costs closely. General inflationary increases, excluding the cost of the Local Plan and CIL works, were limited to 2% in the year.

The net impact of these changes to income and costs is that we were able to declare a surplus for 2013 of £88,000, compared to £44,000 in 2012.

We have included an abridged Balance Sheet on the opposite page.

The key change in the year is the purchase of an office near Waterloo to act as the HBF headquarters. The office has subsequently been fitted out and HBF moved in in February 2014. The move will provide HBF with a permanent base that it owns, and will support our on-going efforts to control our cost base in the years ahead.

The purchase has, however, depleted HBF's cash reserves which were £1,080,000 at the year-end but, of this, £800,000 represents 2014 subscriptions paid in advance by members. Without these advance subscriptions cash reserves at £280,000 would have been below the level of our short term operating requirements. We expect that the cost savings associated with the office move, noted above, will allow our cash reserves to be replenished over the next three or four years.

As reported last year, HBF invested £100,002 in the Guernsey company (HBF Insurance PCC Limited) which operates the NewBuy scheme. £100,000 of this represented an initial capital deposit into the Core that was required until the capital in the cells was sufficient to satisfy Guernsey Financial Services Commission regulations. These monies were repaid to HBF during 2013.

On 11th May 2010, the Pension Protection Fund ("PPF") validated the section 120 notice. This means that, based on the information provided, the scheme is eligible to enter an assessment period during which time all data held by the scheme will be reviewed for accuracy. No significant costs for pension's advice were incurred during the year but the possibility remains of future costs.

It is pleasing to report that subscription renewals have started extremely positively with monies received up to 7th March 2014 representing more than 85% of the subscriptions due.

SURPLUS/(DEFICIT)	2013 £	2012 £	Incr/(Decr)
INCOME			
Subscriptions	2,290,018	2,198,642	91,376
Events income	165,989	182,046	(16,057)
Other income	226,064	222,560	3,504
Special projects income	353,736		353,736
Income from normal activities	3,035,807	2,603,248	432,559
EXPENDITURE			
Corporate Activity	1,628,456	1,610,476	17,980
External Affairs	522,123	507,037	15,086
Planning	294,471	280,750	13,721
Events	156,646	161,004	(4,358)
Special Projects costs	345,672		345,672
Expenditure from normal activities	2,947,368	2,559,267	388,101
Surplus before tax	88,439	43,981	44,458

BALANCE SHEET	2013 £	2012 £	Incr/(Decr)
Fixed Assets	1,604,957	892	1,604,065
Investments	10	100,010	(100,000)
Current Assets	183,750	242,882	(59,132)
Bank	1,080,716	2,042,624	(961,908)
Liabilities	(1,313,672)	(893,593)	(420,079)
Net Assets	1,555,761	1,492,815	62,946
Retained Earnings	1,030,761	967,815	62,946
Long Term Loan	525,000	525,000	
Funds	1,555,761	1,492,815	62,946



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