



HOME BUILDERS FEDERATION
ANNUAL REPORT / 2006



THE VOICE

OF THE HOME BUILDING INDUSTRY







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EXECUTIVE CHAIRMAN'S REPORT

As you know, it has been an exceptionally busy year for HBF and the industry. I think that, in time, people will look back at the last twelve months and consider it to be a critical period in the creation of the new regulatory framework within which the industry will have to operate and prosper.

HBF's task has been a simple one: to create the best business framework for the industry to achieve its objectives of delivering the right homes, of the right type in the right places. I believe passionately that the best way to achieve these objectives is to have a frank but constructive working relationship with the Government and the broader policy community. We can publish the finest research, marshal the strongest arguments and execute the most effective campaigns, but there is no point if we are only talking to ourselves. We don't just want to be heard, we want to be listened to.

This approach has necessitated HBF taking on more of a think tank role, allowing us to utilise both the unique repository of expertise that resides within the Federation and exploit our role as a conduit to industry talent and experience. I want the Federation not just to argue for change, but to help shape its implementation. The last twelve months have involved an unprecedented degree of positive policy work, involving the creation of HBF think tanks, independent research, opinion polling and the development of strategic partnerships.

Perhaps the most significant event of the year came late on in the Chancellor's pre-Budget statement when he announced that Britain would become the first country in the world to make the commitment to deliver all new homes to zero carbon standards within a decade. As you know, HBF welcomed this announcement. It all began for us when I was asked to accompany Housing Minister, Yvette Cooper MP, on a tour of the Netherlands and Scandinavia in the early Autumn. It gave us the opportunity to actively feed into the process, arguing hard for the practical framework and sensible timeframe that later emerged.

Premised on my belief that constructive engagement is the best option, HBF went in on this early, thinking proactively in the Autumn about how the environmental agenda could best be taken forward from an industry perspective. We saw the way the policy wind was blowing; we read the political runes; we saw what other sectors of the economy were doing. This led us to convene an early roundtable summit with all the key players in the debate with the result that I am

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Stewart Baseley *Executive Chairman*



HBF's view that

10 years is a sufficiently challenging timescale to move towards "zero carbon" homes has been accepted by the Government

co-chairing a Climate Change Task Force with Yvette Cooper MP to work out what the obstacles are and how we overcome them. The groundwork we undertook in 2006 means we have a window of opportunity to shape this new environment - one that delivers the Government's sustainability targets while also allowing the industry to achieve the step-change in output that the country so badly needs. Getting this right will be an important part of our agenda in 2007.

We also demonstrated the benefits of constructive engagement in other key areas - notably on PPS3 and PGS. In both cases we carried out extensive consultation and worked creatively on new ideas.

I believe HBF's policy of constructive engagement works. Having a seat at the table matters. It is why the Government did not give in to pressure to impose a shorter time-frame on zero carbon homes; it is why we are at last seeing movement

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on the Thames Basin Heaths moratorium; it is why Ofgem is setting new standards on utility connection to new developments.

As I have said, the last year has been extraordinarily busy. I do believe, however, that we can see the results of a strategy aimed not just at robustly representing the industry's interests, but also doing it effectively. We look forward to continued hard work, and continued success.

The work of the Federation would not be possible without the dedication of all our staff together with a variety of people from member companies whose time and expertise are of great value. On behalf of the Board I would like to express my thanks for all that they do.

Stewart Baseley *Executive Chairman*



Stewart Baseley with Housing Minister, Yvette Cooper MP on a tour of the Netherlands and Scandinavia in the Autumn

EXTERNAL AFFAIRS

Housing retained and further strengthened its position as a major public issue during 2006.

The focus on the need to improve the supply of new homes was underpinned by the extent of the affordability problem; the number of first time buyers in 2006 was at its lowest level since 1980 according to the Halifax's First Time Buyer Annual Review 2007, which estimated that their numbers had fallen to 315,000 in 2006.

Against this background, HBF continued to advance the argument that the only long-term solution to current housing problems is a sustained increase in supply of at least 50,000 homes a year. It was argued that such an increase was not only a counter to general affordability problems, but also the means to deliver the full range of housing that the market desired to meet personal aspiration.

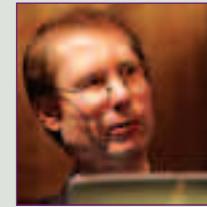
Direct opposition to these arguments largely disappeared. Attention on the part of other organisations focused instead on issues posing indirect challenges to supply, including affordable

housing, infrastructure provision and the environment.

Our dialogue with the Government, politicians and other stakeholders during the early part of 2006 was transformed during the year by the unprecedented emergence of climate change as the major political and public issue of the day.

HBF engaged politicians on this new agenda from an early stage, taking part in fringe events at the party conferences and exchanging views in bilateral meetings with Ministers and Opposition spokesmen. HBF Executive Chairman Stewart Baseley was also invited to join the Minister for Housing and Planning, Yvette Cooper MP, to visit low carbon sustainable housing developments in Europe in September.

HBF formulated a positive vision of how new housing could contribute to suitable action on climate change by changing the Building Regulations as the means to establish a level playing



John Slaughter
Director of External Affairs

field that would provide the best scope for cost-effective and customer-friendly innovation. This vision enabled HBF to engage effectively with the Government and, following the Chancellor's December announcement of the objective of a zero carbon standard for new homes from 2016 onwards, HBF accelerated plans for holding a roundtable summit with the Government and stakeholders in early January 2007.

In addition to this important new agenda, HBF deepened dialogue with Opposition spokesmen on housing and planning, and contributed regularly to the work of the Conservative Party's new policy commissions.

An extensive range of meetings was also held with trade associations, professional bodies, NGOs, think tanks and others who increasingly sought HBF's views on policy issues.

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Amongst issues that received increased attention, we developed dialogue with member companies and the Department for Communities and Local Government (CLG) on the implementation of Home Information Packs, due to become a mandatory requirement in June 2007. This dialogue resulted in meetings with CLG officials in the Autumn to discuss a wide range of operational and other issues raised by members.

HBF also undertook significant work on a number of regional issues - most notably in respect of the planning freeze that affected a large area of the South East as a result of Natural England's concerns about the impact of new residential development on protected ground-nesting birds in the Thames Basin Heaths Special Protection Area (SPA).

HBF worked very closely with members to make extensive representations to Government, regional bodies, politicians, local authorities and others for a relaxation of the planning freeze throughout 2006. This activity was successful in securing assistance from the highest level of Government.

To bolster arguments for a relaxation of restrictions, HBF also commissioned research on the ecological evidence base relating to impacts on the SPA and sought opinion from leading counsel on the interpretation of the habitat regulations. This advice enabled HBF to make successful representations on behalf of members to the Examination in Public of the draft South East Regional Spatial Strategy.

John Slaughter *Director of External Affairs*







HBF Barker Conference with keynote speakers
Rt Hon David Miliband MP, Secretary of State for Communities and Local Government
Kate Barker, Monetary Policy Committee Member, Bank of England
and head of the Housing Supply Review (2004)



John Stewart
Director of Economic Affairs

ECONOMIC AFFAIRS

A high point of 2006 was HBF's successful third Barker Conference in February.

Guest speakers included keynote speaker Rt Hon David Miliband MP, Kate Barker and a range of HBF, Government and industry experts.

The biggest policy issue was the Planning-gain Supplement (PGS). On this, HBF has since late 2005 engaged in one of the most extensive consultations ever attempted. A high-level working group was established and the PGS was discussed at numerous member meetings and with officials at HM Treasury, HMRC, CLG and various external organisations. Formal submissions were made in February 2006 and February 2007. While HBF cannot support the PGS as currently proposed, a way must be found to fund the infrastructure to support housing growth. HBF remains committed to constructive discussions with the Government.

The other big policy issue was HBF's response to Barker Recommendation 32 on Customer Satisfaction.

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HBF published results from its first

national customer satisfaction survey showing 75%

of customers would recommend their builder to a friend

The results of HBF's first Customer Satisfaction Survey, in association with NHBC, were launched in February. The overall results were encouraging and showed that 75% of customers would recommend their builder to a friend. This was followed by the launch of an HBF Customer Service Code of Conduct and a Customer Charter later on in the year. The third leg of HBF's Customer Satisfaction Strategy was the completion of model contract terms, developed with the OFT, to help home builders ensure their contracts comply with the Unfair Terms in Consumer Contracts Regulations. HBF met the OFT regularly during the development of the Survey, Code and model contract terms. To complement this strategy HBF actively worked with members to build up a picture of what measures the industry was taking to improve customer satisfaction, to assist with public messaging and feed into ongoing work to promote the industry.

A special Affordable Housing Policy Group was established to draw up a set of recommendations to influence Government policy.

The private sector has a key role to play beyond the narrow definition of S106 Affordable Housing in PPS3, but this role is inadequately recognised by central and local Government and risks being stifled by current policy. The final report of this Group will be published in Spring 2007.

Economic support for HBF's planning activities included assisting the CLG arrange a series of joint HBF/CLG seminars to investigate barriers to housing delivery. HBF was also actively involved in the National Audit Office study of housing building Key Performance Indicators (KPI).

The evidence base took several important steps forward during 2006. HBF prepared a detailed analysis of the CLG's 2003-based household projections, the first since the 1996-based projections published in 1999. HBF also prepared a critique of the Government's interpretation of new research into S106 agreements by Sheffield University. A superficial reading

suggested a large number of housing schemes have no S106 agreement, so that there is considerable scope to increase the money raised by these agreements. In fact the research findings did not support this conclusion.

Official house building statistics are increasingly in the political spotlight. The Government is monitoring progress towards its 2016 target of 200,000 homes per year and house building numbers will provide the ultimate measure of the success of the Government's planning reforms. HBF has set up a joint working group with CLG and NHBC to seek improvements to the official statistics.

HBF's Director of Economic Affairs spoke at nine conferences during 2006, including three presentations at HB'06 and participation in HBF's successful Graduates' Conference. A City briefing on the industry, organised for HM Treasury, attracted over 30 officials. Regular meetings were held with HM Treasury, CLG,



the Prime Minister's Delivery Unit and a range of external organisations. HBF attended UEPC meetings in Turin and Oxford.

HBF was represented on the steering committees for CABE's Midlands and South West housing audit and a Prince's Foundation research project on sustainable communities. At the end of the year HBF set up a joint recognition scheme with The Prince's Foundation, resulting in the recognition of 11 new home building developments for adopting Foundation design principles that help improve the quality of life for the people who will live there. HBF and The Prince's Foundation have made a joint commitment to see these principles adopted much more widely by the UK's mainstream home builders.

John Stewart *Director of Economic Affairs*



TECHNICAL

During 2006 HBF has been central to efforts to cast new light, develop new thinking and promote new action on a number of important technical issues.

Of potentially most long-term significance has been our work to develop a new approach to future changes in Building Regulations. HBF brought together stakeholders, including NHBC, Local Authority Building Control and Robust Details Ltd to discuss common perspectives on reforming and simplifying Building Regulations. Based on these discussions and parallel consultation of members, HBF has continued talking to ministers and officials on reform of the current system.

This approach has already borne fruit in the longer-term, less prescriptive framework proposed for reaching a zero carbon homes standard by 2016. Ministers have also recognised the need to extend this type of thinking more widely for Building Regulations.

Also on Building Regulations, HBF lobbied the Government to seek means of easing the transitional problems associated with the new Part L and sought to delay its implementation until

outstanding errors could be corrected and until the SAP software was available.

Another significant area of progress has been to improve the timescales for utility provision. Initially, a workshop in HBF's North West region identified the scale of the problem and HBF subsequently conducted a national survey, the results of which were sent to Yvette Cooper MP with a covering letter explaining the problems being encountered by the industry. Yvette Cooper acknowledged the problem and asked her officials to look at improving the position with the relevant regulatory bodies. This was supported by regular HBF meetings with utility companies and regulators, as well as key private meetings with Ofgem. HBF was therefore satisfied with the outcome of the Ofgem consultation on competition in electricity and gas, which has resulted in their recent announcement of penalties for utility companies failing to meet acceptable timescales.



Dave Mitchell
Technical Director

Behind the scenes, HBF was also active in influencing the final form of the Code for Sustainable Homes. Following the detailed response to the Code in March, HBF worked with members to assess the practical implications of the performance standards required by different levels of the Code. This resulted in an invitation to discuss the Code with Ruth Kelly prior to the final version being published in December, for implementation in April 2007. HBF also represented the industry in the Senior Steering Group following the consultation.

Another ground-breaking area has been Innovate For Homes, a scheme set up jointly with the Construction Products Association to provide innovative product solutions to the home building industry. Since its launch in January, the house builder panel has reviewed a series of products throughout the year. Many of the suppliers who have presented to the panel have used the feedback to adapt their product offering and relationships have developed over the course of the year.

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A scenic view of a waterfront town. In the foreground, a paved walkway with a wooden railing runs along a canal. The water is calm and reflects the sky and buildings. On the right, there are white, two-story buildings with red-tiled roofs and brick bases. In the background, more buildings and greenery are visible under a clear blue sky.

HBF developed a new approach to future changes in Building Regulations



On waste HBF scored a notable success when its proposals for using the planning process for waste permitting were included in the Government's public consultation on future permitting arrangements.

Throughout the course of the year, HBF's Technical Team focused on gathering evidence through our discussions with members, to assess the impact of future legislation on the industry. This exercise looked at current building practice in terms of water efficiency and CO2 reduction in new homes and provided valuable data to support ongoing discussions with Government.

Dave Mitchell *Technical Director*

PLANNING

During the first part of the year, Ministers reassessed all the policy initiatives being undertaken in CLG against their target of building 200,000 new homes a year in England. This provided an opportunity for HBF to make sustained representations in a number of important areas of planning policy.

HBF was able to make particular progress influencing the thinking behind the new PPS3 on Housing. PPS3 reintroduced the requirement for all local planning authorities to have an identifiable rolling five-year land supply for housing provision. It also requires strategic housing market assessments and strategic housing land availability assessments, coupled with clear, agreed, trajectory plans. Taken together these provisions certainly constitute a positive step towards ensuring land is both deliverable and developable.

The involvement of the private sector in these assessments will be crucial to their success and HBF is working with CLG to ensure that the methodologies for these collaborative projects result in meaningful studies without placing unnecessary burdens on the resources of local authorities or the private sector.

Other positive changes in the new PPS3 allow local authorities to set their own car parking standards and to identify different

density targets throughout their areas, as recommended by HBF. In an attempt to speed up development plan production, the PPS also removes prematurity as the sole reason for the refusal of planning permission on suitable sites that come forward for residential development.

Added to these significant national planning developments, four of the nine regions reached the Examination in Public stages of the production of a Regional Spatial Strategy (RSS). HBF spent considerable time attending the inquiry sessions for the examinations in the North East, Yorkshire and the Humber, the North West and the South East. Similar HBF involvement resulted in panel reports from the East of England and the North East that gave positive backing to an increase in housing provision above the current Regional Planning Guidance. Similar endorsements of higher targets in the North West would certainly assist in ending the damaging moratoria policies throughout the region.



Andrew Whitaker
Head of Planning

Wales continued to address emerging issues such as affordable housing, design, and scale of development, working closely with the Welsh Assembly Government to ensure that it can learn from English experiences and avoid the same mistakes in its policy approaches to these challenges.

In the Autumn, following our expressions of concern about the way in which the Government was using the Sheffield University S106 study for the CLG, which concluded that only 40% of residential planning permissions over ten units had S106 agreements in 2003/4, HBF gathered evidence from members. This found that an average of 74% of planning permissions in 2005 over ten units had a S106 agreement. This evidence continues to be used in HBF discussions with CLG officials and HM Treasury.

HBF also embarked on the Planning Timeline research, the first of its kind to be published by the industry.

HBF has made
particular progress
with influencing
much of

the thinking in the new PPS3

The results showed that approval now averages nine months - three times longer than Government's target and provided key data to lobby Government officials to address problems with the planning process alongside the planning policy framework.

At the end of the year HBF was invited to be actively involved in CLG discussions leading to the publication of the draft PPS on Planning and Climate Change. The draft goes some way to meet industry concerns about fragmentary local policy initiatives on climate change, but getting the role of planning right in tackling this key issue will certainly be a major focus for 2007.

Andrew Whitaker *Head of Planning*



ORGANISATION

COMMITTEES



Sara Drake
Managing Director

Technical Committee

The National Technical Committee and regional technical groups met regularly during the year.

The Committee debated national technical issues, including timescales for utility provision, the Code for Sustainable Homes, Sewers for Adoption Edition Six and waste management issues. The Contaminated Land and Highways sub groups continued their activities. Three additional working parties were set up: one with NHBC, LABC and RD Ltd to look at simplifying building regulations; another to consider the implications of the zero carbon target and the third to look at water conservation issues.

Planning Committee

HBF's National Planning Committee continues to represent the regions and draws on the considerable wealth of experience and expertise of committee members in order that HBF discussions with CLG and others are truly representative of the wider industry. The Committee has been a particularly valuable forum to discuss and debate the implementation of the new planning system brought about by the 2004 Act.

This year's national planning conference, held in the heart of the growth area of Milton Keynes, examined the new agenda in close detail with contributions from the Government agencies of CLG, English Partnerships and the Housing Corporation. The message from other speakers that the new planning system relies heavily on a requirement for partnership between private and public sectors ran throughout the day and this is a challenge to which the private sector will have to rise over the coming year.

Careers, Skills and Training Committee

In early 2006, the Committee finalised its skills strategy – Skills for Homes – which it launched in February. The strategy provides a framework for future HBF work to help promote career opportunities in home building and to develop training and skills provision relevant to the industry's needs in partnership with CITB-ConstructionSkills and other bodies.

Four meetings were held during the year. The Committee focused on the pursuit of existing skills initiatives on qualifying the workforce, the development of new routes to apprenticeship and revised vocational qualifications for residential site management and on providing a voice for home builders to influence work in new areas.

Careers, Skills and Training Committee cont.

Amongst other work, the Committee commented on proposals for a new Specialised Diploma for Construction and the Built Environment to be launched from 2008 and on CITB-ConstructionSkills' proposals for regional Academies for Construction Skills . In addition, a successful one day Graduates Conference was held in July for young industry professionals.

Health and Safety Committee

The Health and Safety Committee met regularly and the Steering Group (plus representatives from MSC) met between the main meetings to deal with submissions from the working parties dealing with aspects of the Charter action plan. Several new documents were published on the HBF website, including an induction portfolio, ways of engaging with staff, requirements for contractors and advice on protection for visitors. The committee is now focused on organising the dissemination of information about the imminent changes to the Construction (Design & Management) regulations.



Prince Charles at The Prince's Foundation For The Built Environment and HBF joint recognition scheme day



HBF launched Skills for Homes, a strategy to help promote career opportunities

and develop training and skills provision



MEDIA AND COMMUNICATIONS

During 2006 HBF made a sustained effort to improve both its media profile and its communications with members.

Working with HBF's public affairs and media advisors, Portland, an increasingly strategic approach was developed towards securing positive media coverage.

Given continued political and consumer interest in housing, HBF's views were in increasing demand as the year progressed. HBF appeared regularly on national radio and contributed to television news reporting both nationally and regionally. A growing number of national and trade newspapers and magazines also saw HBF as a mainstream commentator.

An underlying theme in the media was housing supply and related issues of planning policy and reform. The media also showed growing interest in HBF's views on environmental issues as the Summer drought focused attention on water supply and public interest in climate change built up.

The environmental agenda became a significant focus of interest for consumer-oriented journalists who sought information on public attitudes to the acceptance of change and the possible costs associated with this. This focus provided an important route for communicating messages that linked the public policy debate on climate change action to real life issues for the public.

HBF used evidence-based research wherever possible to provide substance for reporters. Examples of such news stories ranged from the publication of the first annual HBF customer satisfaction survey in February to the results of surveys on utility service connection timescales.

Throughout the year we issued statements on key housing-related stories and developments, achieving consistent reporting of these in both the trade and national press. We were careful to maintain the quality of our currency by avoiding comment where we had no substantive point to make.

We also sought to ensure that our press statements were better communicated to members via the HBF website and the weekly news review. A consistent approach to such communication has provided a greater awareness for members of HBF's public messages and provided a resource they can draw on in their own contacts with the Government, third parties and the media.

A specific area of media activity involved the major impact of the planning freeze in areas close to the Thames Basin Heaths Special Protection Area (SPA) on both the industry and local communities. HBF worked hard to ensure that both press and broadcast reporting reflected the consequences for these communities without detracting from the validity of suitable habitat protection. Overall HBF was successful in achieving significant coverage through the national and trade press and national and regional radio on behalf of members.

HBF made a sustained effort to improve both its media profile **and its communications with members**

Communications with members were strengthened in a number of ways.

The Executive Chairman's monthly update was developed through the year as a digest of activity on all the main issues being dealt with by HBF. The update was also given a wide circulation to members and used as a basis for discussions at a wide range of member meetings, including the regional Managing Directors' dinners.

The Weekly News Summary remains a valued means of reporting HBF activity, Government policy, third party initiatives, new research and market data to members. We have now moved this to an electronic distribution in order to maximise the utility of the Summary to members.

HBF has improved the design and layout of key communications and developed a new house style for our

publications. This has amongst other things helped us to bring the presentation of the quarterly newsletter up to date.

In addition, sustained progress has been made in improving the design and content of the HBF website. On the basis of these improvements, HBF has also increasingly sought to use electronic means of communication to disseminate reporting, including links to our own and other websites for those who wish to access more detailed information on particular issues.

It is evident that, in a field attracting as much political, public and media attention as housing, effective external and internal communication is vital. We will therefore continue to review our communications systems to ensure that they deliver the results needed going forward.



NEW HOMES MARKETING BOARD

The New Homes Marketing Board (NHMB) Management Committee, chaired by Mick Noble, met three times during 2006 to discuss ways in which the new homes industry could be promoted. The main focus for 2006 was *New Homes Week* starting on 20 March.

The week was met with a positive response from both the industry and the press and was also covered for the first time in the national and consumer media including: The Evening Standard, The Daily Express, The Times, The Sunday Express, Your New Home, Your Home and Location Location magazine. The week was also featured on-line on key portals such as Right Move and coverage was secured on national, regional and local radio.

The new-homes.co.uk website was developed during 2006 to provide information on the new homes week campaign and over 10,000 hits were achieved during this period.

The site was fully optimised in 2006 to achieve top listings on the major search engines – Google, MSN, Yahoo and a comprehensive pay per click campaign ran across Google, Overture and Espotting.

The Suppliers' Forum met three times throughout 2006. In January this focused on the launch of the Innovate for Homes scheme. Subsequent meetings provided a forum for discussion on key issues and included presentations by external speakers on Building Regulations and sustainability



HOUSEBUILDER MEDIA

Housebuilder Media (HBM), HBF's publishing and events arm, has maintained its position as the leading provider of information for the home building sector while continuing to grow its portfolio.

Housebuilder magazine, HBM's market leading title, reaches in the region of 23,000 readers each month and continues to provide business essential information in a fast changing market.

HBM also publishes the monthly specialist *Housing Market Report* and annual *Housing Market Intelligence Report*.

In October HBM staged its third annual two-day industry show, HB'06. This comprised an exhibition of innovative industry products, a major conference programme, free seminars and briefings and live industry interviews.

HBM organised and staged the second annual *Housebuilding Innovation Awards* which were held at The Savoy Hotel in London in October, with 325 guests celebrating the successes of home

builders and suppliers in 12 categories covering innovation in sustainability, design, technology and customer care. The awards culminated in the announcement of the first ever *Housebuilding Innovators of the Year* – Barratt and Haslam taking the accolades.

HBM created and ran a series of successful conferences throughout the year, including the HBF Barker conference, and the Housing Market Intelligence conference. In addition, HBM organised and delivered the HBF social event and dinner programme for the year, as well as the AGM lunch and Annual Ball.

And in association with Marie Curie Cancer Care, HBM staged an industry charity event which raised more than £68,000 for Marie Curie CC.

Ben Roskrow *Director Housebuilder Media*



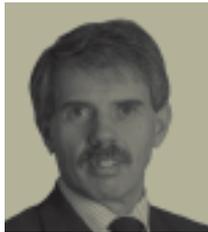
Ben Roskrow
Director Housebuilder Media



PERSONNEL - HBF LTD BOARD



Stewart Baseley
Executive Chairman



Paul Pedley OBE
Hon. Treasurer / Redrow Homes



David Pretty
Co-Option



Geoff Ball
Co-Option / Cala Homes



Mike Freshney
Co-Option



Malcolm Harris
Co-Option / Bovis Homes



Andy Yallop
*Co-Option / Croudace Homes
Joined December 2006*



Philip Davies
*Co-Option / Linden Homes
Joined December 2006*



Mike Gaskell
*Co-Option / Morris Homes
Joined December 2006*



Peter Johnson
*Co-Option / George Wimpey
Resigned June 2006*



Tim Hough
*Co-Option / Miller Homes
Resigned November 2006*



PERSONNEL

HBF SENIOR MANAGEMENT TEAM

Sara Drake - *Managing Director*

John Stewart - *Director of Economic Affairs*

John Slaughter - *Director of External Affairs*

Dave Mitchell - *Technical Director*

Andrew Whitaker - *Head of Planning*

Stanley Jackson - *Finance Director*

Jo Turner - *Marketing Manager*

STANDING COMMITTEE CHAIRMEN

Karen Jones Until April 2006 (Redrow Homes) - *Careers, Skills and Training*

Neal Barnes From May 2006 (Wilson Bowden) - *Careers, Skills and Training*

Lee Bishop (George Wimpey North Thames) - *Planning*

Ashley Lane (Westbury Partnerships) - *Technical Development*

Cameron Jones (Bellway Homes) - *Health and Safety*

FINANCE AND MEMBERSHIP

Subscriptions by home builder members in 2006 were £3,190,092, a 1.6% increase from 2005. Other categories of membership contributed £95,075, an increase of 9.2% on the previous year.

On 1st January 2006 the events management team at the HBF were transferred to its wholly-owned subsidiary, Housebuilder Media Ltd (“HBM”). Certain of the events previously recorded within HBF are now accounted for in HBM and hence the drop in revenues from events to £196,994 from £329,765 in 2005. There is a corresponding reduction in the expenditure line for the provision of the regional events service.

A further repayment of £116,155 was received from Robust Detail Ltd (“RDL”) in the year which will be refunded to those members who contributed to the original research programme. This leaves a balance of £150,447 to be received and refunded to members in 2007.

The direct cost of services provided by HBF to members (before exceptional items) was £3,538,184, representing a decrease of £96,628 (2.7%) on the previous year. After allowing for the transfer of events staff as mentioned above the year on year cost comparison is an increase of 1.5%.

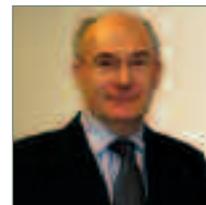
The exceptional item reflects the ongoing negotiations with the trustees of the Construction Confederation Staff Pension Scheme over the HBF’s intention to terminate its liability to contribute to the scheme. The cost in the year reflects an increase in the provision to meet the HBF liability of £145,000 and legal and professional fees.

This is the 12th full year of trading for Home Builders Federation Limited. The following information is extracted from the draft 2006 accounts which will be lodged at Companies House after audit and approval.

FINANCE AND MEMBERSHIP

INCOME	2006	2005
	£	£
Subscriptions	3,190,092	3,139,167
Regional & Special Events	196,994	329,765
Interest & Dividends	180,653	174,265
Other Membership	95,075	87,036
Management Charges	55,000	90,000
External Affairs Consultancy	69,950	66,100
Programme Contribution	40,000	40,000
Other Income	35,218	38,341
	<hr/>	<hr/>
Normal Activities	3,862,982	3,964,674
RDL Levy	116,155	408,398
	<hr/>	<hr/>
Total	3,979,137	4,373,072

EXPENDITURE	2006	2005
	£	£
Corporate Activity	2,008,277	1,904,902
External Affairs	611,306	502,914
Planning	461,034	499,432
Technical	214,244	204,586
National & Regional Events	182,480	327,845
Regional Services	60,843	195,133
	<hr/>	<hr/>
Normal activities	3,538,184	3,634,812
RDL Levy	116,155	408,398
Exceptional Items	270,350	736,529
	<hr/>	<hr/>
Total	3,924,689	4,779,739



Stanley Jackson
Finance Director



The last twelve
months have
involved an

**unprecedented
degree of positive
policy work**



Home Builders Federation

Registered in England and Wales. Registered office: One Fleet Place, London, EC4M 7WS. Company Reg No. 276 4757 . Vat No. 882 6294 86

Home building pictures courtesy of the Prince's Foundation for the Built Environment, showing developments which were recognised by HBF and the Foundation for adopting foundation design principles that help improve the quality of life for the people who live there.

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