

QUALITY, QUANTITY OR AFFORDABILITY?

HOW DO WE DELIVER THE SUSTAINABLE HOMES WE NEED?

A SUMMARY REPORT ON THE NALEP / SGPB / HFI HOUSING CONFERENCE

July 2019

Overview

A well-attended event that used both traditional conference approaches (e.g. keynote speeches / sector overviews) combined with panel sessions and the use of technology to enable greater audience participation. The interest in this event was overwhelming with the mix of public and private sector being 41%/59% respectively. It proved how passionately the whole sector feels about the housing agenda and working collaboratively to find innovative solutions to the challenges we face in Norfolk and Suffolk. Overall the event provided a positive, productive and thought-provoking debate.

Summary of conference sessions

Introduction: Doug Field

Doug Field welcomed people to the event and challenged people to think about the challenge we face in Norfolk and Suffolk to delivering 140,000 new homes by 2036. He stated that a home is more than bricks and mortar and that it was imperative that we build the right homes in the right place and in a way that is environmentally sustainable, something that is particularly important given the clean growth challenge we all face.

Keynote: Tony Pidgley

The conference then heard from Tony Pidgley of Berkley Homes. Tony stressed the importance of planning for people and building communities ahead of profit. He noted the criticality of communication and a collaborative culture. Finally, he challenged policy makers to be flexible in their approach in order to achieve the ambitions we all agree are needed.

CITB announcement: Sarah Beale

Sarah Beale, CITB launched a £17.8m fund for an additional 20 'hubs' to support onsite training opportunities. She stated that attracting people to the industry was a difficult with access to training not always easy. Industry engagement also proves challenging. Sarah also highlighted that there would be a shortage of 170,000 workers by 2023 and outlined CITB's six initiative responses. She stressed the importance of innovative methods.

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Building Skills Panel – Saul Humphrey, Sarah Beale (CITB), Tom Oliver (Ilke Homes) and Nikos Savvas (West Suffolk College)

Saul Humphrey introduced the skills panel and the members. Key points:

- Agreement from panel members that construction skills courses need to ensure participants are site ready – not just the technical skills but the behaviours that are needed on a site. Ilke Homes highlighted they look for wider skill sets e.g. ability to work as part of team etc. 85% of Ilke workforce have no particular construction skills on appointment.
- Apprenticeships need to deliver better outcomes for both the participant and industry. How can we make the levy more flexible to encourage greater take up?
- Industry is currently quite fragmented, we need to make it more inclusive, overcoming the perceptions that many have about the industry. Move away from traditional view and promote higher skills levels, e.g. increasing use of technology in construction; move towards sustainable methods and new materials; reflect on skills needs on a project by project basis
- Improving skills requires new entrants and new/more tutors. Need to look at encouraging more assessors into the industry but have to address wage levels for tutors, look at greater college/employer collaboration to deliver skills training and increase course to industry retention rates (currently 15% of those on courses enter the industry)

Key questions from the audience:

1. Aren't creativity, design, place and deep sustainability key to changing the culture of this industry to attract and keep people?
2. There is a huge demand across all sectors for civil engineers and designers. However, businesses are still going bust, why is this still happening?
3. How will CITB, employers and trainers collaborate to address housing's contribution to CO2 emissions in light of the government's commitment to net zero by 2050?
4. What else can the industry do to help particularly smaller businesses to take on more apprentices? Businesses find the current process too complicated
5. How can we support subcontractors in recruiting new entry roles when they predominantly rely on self-employed gangs who are paid on piece work and quality?

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Embedding Quality Panel – Wayne Hemmingway (Hemmingway Design), Chris Lamb (Design South East), Mark Chapman (Taylor Wimpey), Andrew Dobson (Crest Nicholson), Ed Gilder (Badger Building), Stuart McAdam (Persimmon Homes) and Will Vote (Rose Builders)

Wayne Hemmingway introduced the Panel session and members. Highlighted the fact that Panel represented 3 of the UK's national housebuilders (Taylor Wimpey, Crest Nicholson and Persimmon Homes) and recognised the strength of the conference in securing 5 housebuilders to jointly discuss design and quality issues.

Key points to note:

- Communities at the heart of change
- FTSE index has fewer housebuilders currently than at any time
- Rate of delivery between large housebuilders/smaller firms is roughly the same (100 homes per site per annum) – larger housebuilders just have more sites. But given c.£28 million is needed to deliver 100 homes per annum (company's investment) where are SME builders/developers meant to get this money given the current position of the banks/lending market?
- Need to address the issue of land value and the impact the cost of land has on the design/quality of homes
- Need to define what we mean by high quality early in the process and stick to it... quality means different things to different people (e.g. an architect, a customer, a local authority, a community). This must be recognised alongside the market forces that mean different products are needed for different budgets.
- Need to engage with communities early in the process: three-way conversations between housebuilders/communities/local authorities
- Need to address what can be covered in legislation and whether Government has an appetite to introduce national design standards as a 'level playing field' for developers. Agreement that environmental agenda is likely to drive this legislation forward more quickly in the coming months/years.

Key questions from the audience:

1. We build the smallest expensive low-quality homes in Europe. How do developers up their game to build homes not units?
2. Should there be more pressure on housebuilders to do more to ensure improved quality of construction? Often and press on poor quality construction
3. When will developers embrace environmental sustainability and see that it can be a selling point rather than an unnecessary cost to development?
4. Industry and planners aren't trusted by communities. What could we do to develop and embed that trust?

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5. To embed true environmental quality in and industry that is inherently profit driven do we need legislation and tighter conditions locally?
6. How do we get mainstream contractors building homes in areas of dire need but where the market doesn't support viability?

Strategic Context and Key Housing Issues: Natalie Elphicke

Natalie Elphicke of the Housing and Finance Institute laid out the strategic context and key housing issues from her perspective. She highlighted the significant progress made by all since the 2008 crash with regard to delivery but stressed that the 300,000 new homes p.a. was a huge challenge moving forward. Natalie referenced the constantly changing market and the importance of flexibility and adaptability. Finally, she stated that investment from across the public and private sector and commitment at the national and local level will help boost delivery further.

Attracting Investment Panel: how partnership working can boost housing and infrastructure delivery? Pete Gladwell (Legal and General), Richard Bacon (MP for South Norfolk), Ben Denton (Legal & General), Natalie Elphicke (HFI) and Paul Kitson (Homes England)

Pete Gladwell introduced the session and the panel members. Key points:

- Investment models currently focus on subsidising demand, need to balance these with approaches to subsidising supply
- Greater emphasis needed on boosting funding for infrastructure (upfront in some cases) and address viability issues
- Agreement that greater partnership working is needed to deliver the homes – local authorities could be more involved, e.g. direct deliver, use of public land, role for strategic planning, reducing risk. Critical to understand local specifics
- Greater mix of investment models needed, e.g. serviced plots for self-build (Dutch model); use of patient capital; mix of finance for build costs / running costs (e.g. building homes that cost nothing to heat); longer term landowner legacy culture

Key questions from the audience:

1. The last time that 300,000 new homes were built in this country Council's built a good percentage of them. Shouldn't government get Council's building again at scale?
2. Are Homes England going to provide true leadership in providing the finance needed to deliver housing in areas of need where viability challenges the market?
3. Do you think CIL is working? Is it actually delivering?
4. Why can't the government make utility companies join in more strategic conversations around infrastructure rather than the old-fashioned approach site by site?

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5. Building societies and the OBR agree that help to buy has added around £12,500 to the price of a home. Has it been worth it?
6. The brownfield register is a great planning incentive, but the sites aren't delivered. Why isn't Government offering a financial incentive?

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