



Presentation to the
Local Government and Housing Committee
National Assembly for Wales

Cyflwyniad i'r
Pwyllgor Llywodraeth Leol a Thai
Cynulliad Cenedlaethol Cymru



Introducing NHBC

What is NHBC's role?

NHBC (National House-Building Council) exists for the primary purpose of assisting the UK home-building industry and housing-related sectors to improve the quality of new homes. With insurance reserves of £900 million NHBC has 850 staff that work across the UK.

NHBC in Wales

NHBC has 635 registered builders in Wales and in 2001 6,361 new homes were registered with NHBC. In addition our inspection staff carried out 42,000 inspections on over 1000 sites in Wales in 2001. In the last ten years 76,600 homes, representing 81.5% of all new homes started in Wales, have been covered by NHBC.

How does NHBC raise standards?

- Registering builders who must comply with NHBC Rules and Standards
- Setting construction standards and carrying out inspections at key stages
- Providing new home warranty and insurance services for home buyers' needs
- Working within the new homes industry to facilitate innovation, research and best practice
- Continuous feedback throughout the process to encourage best practice
- Training house-building site managers

**Our business model
creates a 'virtuous circle'
that drives improvements
in industry standards.**



Who are NHBC's customer groups?

NHBC works with all those with a stake in raising standards of new homes. Our two principal customer groups are:

- house builders, housing associations and self-builders, who we help regulate and who buy our services
- new home buyers to whom we provide consumer and insurance protection

Since 1967 NHBC has:

- inspected and provided warranty protection on over 5 million new homes i.e. about 30% of the existing UK private sector housing stock
- inspired countries in Europe, the Far East and Africa to establish home warranty systems based on the NHBC model

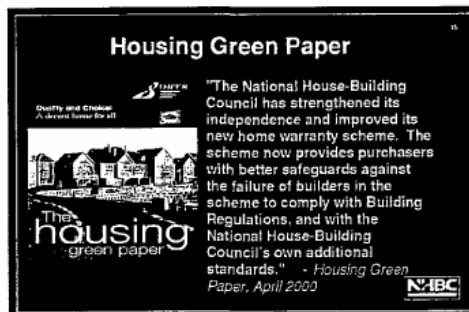
Is NHBC Independent?

NHBC is a non-profit distributing company that is independent of both Government and the house-building industry. NHBC's governing Council includes representatives from the Law Society, the Local Government Association, consumer organisations, architects and surveyors. Less than a quarter of our Council are house-builders and our Chairman is currently Chairman of the Government's Housing Forum.

Does NHBC work with Government?

NHBC contributes to a range of Government and industry partnerships such as the Housing Forum, the Building Regulations Advisory Committee (BRAC), the Building Control Performance Standards Advisory Group (BCPSAG) and the Urban Task Force. NHBC sponsors initiatives such as Youthbuild and the Housing Design Awards. Through our expertise in land quality issues and energy efficiency we are making an important contribution to the regeneration agenda.

Our improvements to strengthen our independence and to extend our warranty scheme were recognised in the Government's April 2000 Housing Green Paper.



NHBC Services

Warranty and Insurance Services

About 1.7 million householders are currently protected under our ten year Buildmark Cover that provides:

- Before completion: purchaser protection from the builder going bankrupt before the property is completed
- First two years: rectification of defects to the property which breach NHBC Technical Standards. The builder is responsible for responding during this period. In cases where a conflict arises NHBC provides a free Resolution Service which successfully helps resolve most disputes. In most cases we find in favour of the home-owner.
- Years three to ten: NHBC provides the most comprehensive cover in the world including the cost of removals or alternative accommodation if necessary
- Building Control no-fault insurance cover where NHBC provides the Building Control service which gives greater consumer protection than is available when Local Authorities undertake Building Control.

NHBC Inspection

NHBC puts considerable effort into setting standards and inspecting for the construction of new homes. Last year we carried out inspections on over 150,000 new homes in the UK. In Wales we carried out approximately 42,000 inspections on 1018 sites.

NHBC first became an 'Approved Inspector' in 1985, for Building Control on dwellings and ancillary buildings up to and including four storeys. The licence has been extended progressively since then and we can now provide Building Control on all classes of building. The service offered includes informal advice, the formal checking of plans, type approvals and an on-site inspection service. Inspection is by suitably qualified and experienced NHBC staff, who check work to both Building Regulations and to NHBC Standards.

NHBC has clear evidence that the quality of its Building Control ensures that claims are reduced and that the claims incidence record compares favourably with that of Local Authorities.

We constantly review and improve technical standards to help reduce defects and improve the long-term condition of the UK housing stock. In our role as an Approved Inspector we work closely with Government and other stakeholders to provide guidance associated with the Approved Documents. Examples include:

- our work on Part M concerning accessibility in new homes
- An Approved Document on basement construction approved by the Secretary of State
- NHBC's standards for the remediation of contaminated land and our policy protection to home-buyers. Also our sponsorship of the new DTLR, February 2002, guidance document "Preparing for Floods" and BRE's environmental rating

scheme for homes (EcoHomes). All these demonstrate NHBC's commitment to addressing key issues facing consumers rather than a narrow commercial interest.

Recent Improvements to raise standards

Since 1998 NHBC has undertaken a fundamental review of its operations and further extended the range and quality of services we provide.

- Buildmark cover has been substantially extended and now includes protection against the cost of remediating contaminated land and multiple glazing
- Where NHBC carries out Building Control, Buildmark now includes additional aspects such as access and facilities for disabled people
- Buildmark documents have been rewritten using plain language to address previous criticisms of ambiguity and to avoid misrepresenting the cover
- A new Key Stage Inspection Service has been introduced
- NHBC has reorganised and invested heavily in a continuing programme of new technology and staff training to improve its Claims and Inspection Services

NHBC has also taken significant steps to strengthen the position of consumers through:

- Strengthened stakeholder representation at Board level
- Establishing a Consumer Affairs Committee
- Development of our own Customer Charter
- Monitoring customer care and complaints handling
- Auditing customer care performance
- Carrying out regular and systematic consumer research
- Making proposals to improve customer procedures

Millions of homeowners depend on NHBC. We understand that we have a responsibility to constantly improve our services and use our influence to encourage higher standards. We welcome the opportunity offered by the National Assembly for Wales to set out our view on how we can work together to raise standards in the new-homes industry in Wales.

Soft Mortar Problems in Wales

NHBC has sought to work with builders and the National Assembly for Wales to ensure that Soft Mortar issues are addressed.

Why is soft mortar more frequent in South Wales?

Possible reasons for a higher incidence of weak mortar problems in South Wales may be:

- A higher incidence of on-site mixing
- A lack of understanding by trades about the need for different mixes/strengths for different materials – bricks, concrete blocks etc.
- Variability in the quality of sand used on developments in South Wales

How is NHBC helping builders address the problem of soft mortar?

NHBC has held meetings with builders in Wales, carried out mortar strength testing and has sought to use its technical expertise to help resolve this issue. Actions include:

- Our technical newsletter 'Standards Extra' - which is mailed to all of our 18,000 plus Registered House Builders - has heavily promoted best practice
- The issue of a Technical Circular to staff
- The inclusion of mortar issues in our current round of national "Building for Tomorrow" seminars
- Research, including earlier work with the then DOE and Building Research Establishment (BRE) on Universal Mortar Mixes already incorporated into our Standards
- NHBC has widely promoted and encouraged the use of bagged mixes, factory-produced mortar, and new innovative methods such as silo mixes, which are mixed on demand. Use of these materials reduces the risk of on-site error.
- We have produced a best practice video targeted at site operatives which will, in part, emphasise the need to get mortar mixes right on-site
- We are also promoting the use of a site mortar testing kit in South Wales. For example, Persimmon Homes (Wales) Ltd are already using this kit.
- Employed an independent expert to advise on mortar problems on specific sites in South Wales
- NHBC staff conducted a random sampling exercise on sites in Wales, using the BREMORTEST apparatus

How can we address the skills-gap?

Most commentators recognise that there is a problem of a shortage of skilled labour on-site. This is why NHBC launched its own training service for management in the house-building industry five years ago.

Our service is rapidly expanding with assistant site manager and site manager programmes based on levels 3 and 4 NVQ/SVQ. The portfolio will shortly be extended with a Contracts Managers Programme at level 5 NVQ/SVQ. We also

have a partnership arrangement with Nottingham Trent University to offer an MSc in Residential Development.

These programmes complement a range of popular short training courses such as 'Defects Prevention' and 'Excellent After Sales Service', and timely new courses on 'Managing Timber Frame Construction and Insulation'. The quality of NHBC training was recently recognised by TOPIC (Training of Professionals in Construction) as a 'Best Practice Adopter'. The unit provides around 40% of all further education construction management qualification programmes in the industry.

The NHBC View

NHBC sets standards and helps to regulate the UK house-building industry. We are also the largest private sector Approved Inspector for Building Control purposes for the house-building industry in England and Wales. As such we take very seriously our responsibility to individual homeowners and consumers in Wales.

We welcome the opportunity to work closely with officials from the National Assembly to address these issues. We will continue to use our resources, expertise and experience to tackle these issues and continue to pursue our goal of raising house-building standards in Wales.

ENDS

If you would like any more information about NHBC or any aspect of our work please contact:

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