

NHBC marks its 75th anniversary in 2011, celebrating three quarters of a century of raising standards in UK housebuilding to protect home owners. NHBC's **Tom Howard** takes a retrospective look at the company's history and work

Policy, regulation and housing sustainability

NHBC has a long tradition of innovation, and invests in research to better understand major topical issues and find appropriate solutions to problems. This ethos was encapsulated in recent times by the formation of the NHBC Foundation, as NHBC's chief executive, Imtiaz Farookhi relates: "The NHBC Foundation, our independent research institution formed in partnership with the BRE Trust, celebrated its fifth anniversary in January this year, and is at the forefront of innovation in UK housebuilding. It has produced 29 project reports so far, on a wide range of subjects such as the introduction of new materials and technologies, and home owner-focused best practice guides for builders following the Calcutt taskforce's housebuilding provision review.

"NHBC and the Foundation are at the heart of the sustainability agenda too, which will reshape the housebuilding industry in coming years," says Farookhi. "We were instrumental in developing initiatives such as energy rating services, EPC certificate provision and, with BRE, devising the environmental assessment process for residential properties commonly known as EcoHomes. NHBC informs ongoing political processes too, in part by supporting the Zero Carbon Hub in relation to the 2016 zero carbon homes target."

"We have a strong and long-standing relationship with government, shadow ministers and the civil service, spanning political divides, and will continue to use our experience of working with the industry and home owner-consumers to contribute to plans for sustainability, the local standards framework, and decentralisation."

www.nhbc.co.uk
www.nhbcfoundation.org
www.zerocarbonhub.org

Diamond jubilee

The National House Builders Registration Council (NHBC) was incorporated on 17 November 1936, created to combat unsatisfactory building practices prevalent in UK housebuilding in the aftermath of inter-war government slum clearances. As the forerunner of NHBC as it exists today, it set the principles the organisation still lives by now.

1930s

The demolition of dilapidated homes in the 1930s led to a surge in private housebuilding. Unfortunately, many builders were untrained and inexperienced, and placed emphasis on making quick profits by cutting corners. Unprofessional jerry-building boomed, resulting in poor quality homes for UK citizens through technical incompetence or financial pressure.

Confidence in the building industry dropped, and political and public pressure to act grew, prompting a call by trade body NFBTE to propose a standard construction specification for new houses. The National Housing Standards Board was therefore established in 1935 to draft a specification, which government insisted should be backed by the inspection and certification of new homes.

An NHBC poster from the 1940s



This led to the genesis of the Housing Improvement Association (HIA), which in turn established NHBC. NHBC aimed to increase the professionalism and care shown by housebuilders, therefore improving the finished product. Its motto, "Cavendo tutus" – "be safe by taking care" – enshrined the values upheld ever since.

NHBC was originally governed by a cross-organisation group including representatives nominated by NFBTE, RIBA, the Chartered Surveyors Institute, the Building Societies Association and NFBTO, with observers appointed by the minister for health. Initially funded by an NFBTE and HIA loan, it represented an important voluntary venture into self-regulation and consumer protection by the industry.

As well as inspecting and certifying new homes as being fit for purpose, NHBC operated a register of approved housebuilders prepared to build in

accordance with the model specification. The specification was the embryonic stage of the ever-evolving NHBC Standards which continue to protect home owners now.

NHBC registration included an innovative warranty for buyers of certified homes that required builders to rectify defects arising from non-compliance with specifications during a two year period from date of purchase, with NHBC

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arbitrating in disputes. In 1965, this evolved into the ten-year concept of today's Buildmark warranty, of which the two-year builder liability period remained a key component.

Buildmark now covers over 80% of new UK houses, currently protecting 1.6 million homes. Nearly 8 million homes have benefited so far, giving home owners assurance and redress if things go wrong.

NHBC became independent and self-supporting by 1955, repaying NFBTE and operating from then on, using income generated from builder registrations. In 1967, NHBC restructured itself, creating a new executive committee with a widened membership which included members appointed by the Minister for Housing, who chose the Council's chairman too. The first, Douglas Calverly, commented at the time that "financial control [of NHBC] has passed away from the builders, on the initiative of the builders themselves."

Importantly, the Council was given additional responsibility for industry research and education too, not only to improve standards and workmanship but to conduct, sponsor and encourage assessment of home owner perceptions. Recognising the shift from its original remit to one with industry-wide scope, NHBC was renamed in 1973 as NHBC.

standards

NHBC has become the leading warranty and insurance provider and standards setter for UK housebuilding, its biennially updated Standards defining best practice in new home construction. Its holistic industry involvement helps ensure best practice in all areas, ultimately minimising the risk to buyers of new homes by providing quality control during preparation and construction, and a post-purchase safety net. This world-leading model has been copied around the globe.

As an insurer, NHBC has a commercial element, but remains a non-profit distributing company independent of government and the industry. It reinvests all income in achieving the primary purpose it has upheld for 75 years; improving quality in housebuilding to protect home owners.

NHBC chief executive Imtiaz Farookhi commented on NHBC's current role, three quarters of a century on:

"NHBC is unique among insurers in that it doesn't just pick up the pieces when things go wrong. The Big Society ethic is already at the heart of NHBC's work, helping the industry to get things right first time through its ongoing work to improve technical standards and best practice in housebuilding nationally.

"NHBC has not only helped increase construction quality and ensured new homes built today are fit for purpose, but improved the reputation of the industry

among government and the wider public. New homes now are the best they have ever been, with the differences to those of 20 years ago clearly evident. Be assured, however, that we will not rest on our laurels.

"NHBC will continue to fulfil its goal of protecting home owners, set all those years ago through the vision

of the industry itself, by innovating on its existing services. Its technical expertise and wealth of experience de-risk the UK housebuilding agenda, addressing current and future problems to remove detriment for home owners in the long-term, preventing issues before they hit while remaining on hand to help if they do." **hb**

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Innovation and evolution

NHBC is committed to developing and evolving its services to meet new challenges, working with the industry for the benefit of the industry, and ultimately for home owners, to find workable solutions to problems. Here are some examples:

Home owner protection

- NHBC became its own principle insurer for its new home warranties in 1978, and launched Buildmark in its current form a decade later; the scope of protection Buildmark offers has been expanded over the years to cover more areas, giving home owners better means of redress
- An improved resolution service was introduced in the 1990s, to arbitrate in builder-home owner claims disputes; it finds in favour of home owners 70% of the time
- NHBC has co-ordinated industry wide initiatives; one involving CML radically changing the sign-off process for new homes, ensuring houses began to be consistently finished and handed over in good order
- NHBC helped establish the Consumer Code for Homebuilders, which bolsters home owner protection by setting good practice requirements that registered homebuilders must adopt and comply with as a condition of registration

Technical revision

- Key stage site inspections were introduced, maximising the number of houses assessed at vital points in the timeline of new builds
- Inspection and claims data continuously feeds into Standards updates; revisions have addressed significant problems in areas such as flat roofing, foundations in clay-soils, and concrete floor subsidence

- A new Standards chapter covering renewable energy technologies was added in 2011
- NHBC has most recently identified best practice improvements for pitched roofing installation and is running industry training; in 2010, 60% of claims to NHBC related to pitched roofs, costing more than £11 million (see pages 41 – 42).

Service provision

- NHBC became the first approved private building control provider in England and Wales in 1985; in 1997, its licence was extended to include commercial projects
- Land quality endorsement was added to NHBC's portfolio relatively recently, approving brownfield sites as fit for use; early involvement in projects using contaminated land helps NHBC effectively manage risk for all concerned
- NHBC Consultancy Services provides services such as acoustic and air-leakage testing for builders
- NHBC provides training for the industry which has helped position it for recovery post-recession

Industry incentivisation

- NHBC introduced its Pride in the Job Awards 30 years ago, which have been fundamental to raising new home standards; by rewarding consistent professionalism among UK site managers the competitive element spurs builders to improve
- The second annual NHBC Health and Safety Awards take place in May 2011, promoting best practice at work; NHBC works to protect builders as well as home owners