



NEXT
GENERATION

The
UK homebuilding
sector's contribution
to a sustainable
future

JOINING THE DOTS

SUSTAINABILITY MEGA-TRENDS • UK HOMEBUILDERS • STAKEHOLDER VALUE



NextGeneration is an annual sustainability benchmark of the 25 largest homebuilders in the UK

The benchmark enables homebuilders, Government, registered providers (RPs), investors, employees and the public to understand the sustainability of homebuilders' operations and the new homes they build.

NextGeneration works by inspiring companies to report against a range of criteria - developed in collaboration with the industry over 10 years - relating to high-quality, sustainable homebuilding. The assessment is primarily based on publicly available information and has been a key driver of greater transparency and accountability within the sector.

By showcasing leading firms, NextGeneration aims to create healthy competition amongst homebuilders and ultimately encourage them to deliver more sustainable homes and communities.

NextGeneration member companies benefit from:

- The opportunity to steer the benchmark and develop the benchmarking criteria.
- Enhanced assessments and bespoke reports to help improve their performance.
- Networking and knowledge-sharing events, to aid collaboration and create solutions.

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www.nextgeneration-initiative.co.uk



Welcome to the 2015 NextGeneration Report

In this report we evaluate the progress the homebuilding sector has made during the last year in delivering sustainable development and highlight best-in-class performance within the industry. NextGeneration aims to “join the dots” to create the kind of transformative change the industry needs. This report goes much wider and deeper than just asking how companies have performed; it brings together rigorous primary research with the latest thinking about the trends that will impact the industry over the coming decades.

Generating value for our members

This year we are pleased to welcome two new members, Mount Anvil and Cala Homes, and one returning member, Lend Lease. Our members play an important role in driving the initiative’s development and in shaping its assessment criteria, ensuring they reflect ever-changing market needs and aspirations. Together with our members, we have a much stronger voice and capacity to transform the sector so it delivers more sustainable homes and long-term value for its stakeholders.

It’s highly encouraging to see that our members also clearly benefit from participating in the initiative and dominate the leadership table yet again. Indeed our congratulations go out to nine companies who won NextGeneration Awards in 2015 and who are already creating sustainable homes and communities right across the UK. In the future we will be exploring ways to help our members capitalise on this success by raising awareness of the initiative and of the benefits it offers key stakeholders such as investors and local authorities.

Transforming the industry for all stakeholders

While every homebuilder has moved on to a degree, the sector remains polarised, with a handful of companies now pushing well ahead of the rest of the sector. This does not necessarily mean that the others are unsustainable; it means they are not publicly disclosing information about how they are managing it.

At the heart of the NextGeneration initiative lays an ambition to create an open, transparent and responsive industry for all stakeholders. And it is through this proactive engagement and dialogue that we believe the industry can create the widest possible value. We strongly encourage any developer, listed or non-listed, to learn from the leaders who are already enjoying the benefits of transparency and are capturing value at every opportunity.

Building future value

There are of course challenges to be managed and, in today’s rising market, we are well aware of potential impacts in an industry that relies heavily on labour, skills and natural resources to build new homes. At the end of this report we explore five mega-trends predicted to disrupt Britain’s housing market over the coming decades and we give an insight into how well the sector is adapting to these.

Clearly some homebuilders are more prepared than others, with NextGeneration members typically embracing change ahead of the pack. By actively managing their future, these companies are more likely to deliver strong operational performance and maximise the value they generate for their stakeholders. By sharing examples from these leading companies, we hope to inspire others to act and ultimately prepare the industry for the big challenges that lie ahead.

Paul McGivern
Design & Sustainability
Manager
Homes & Communities Agency

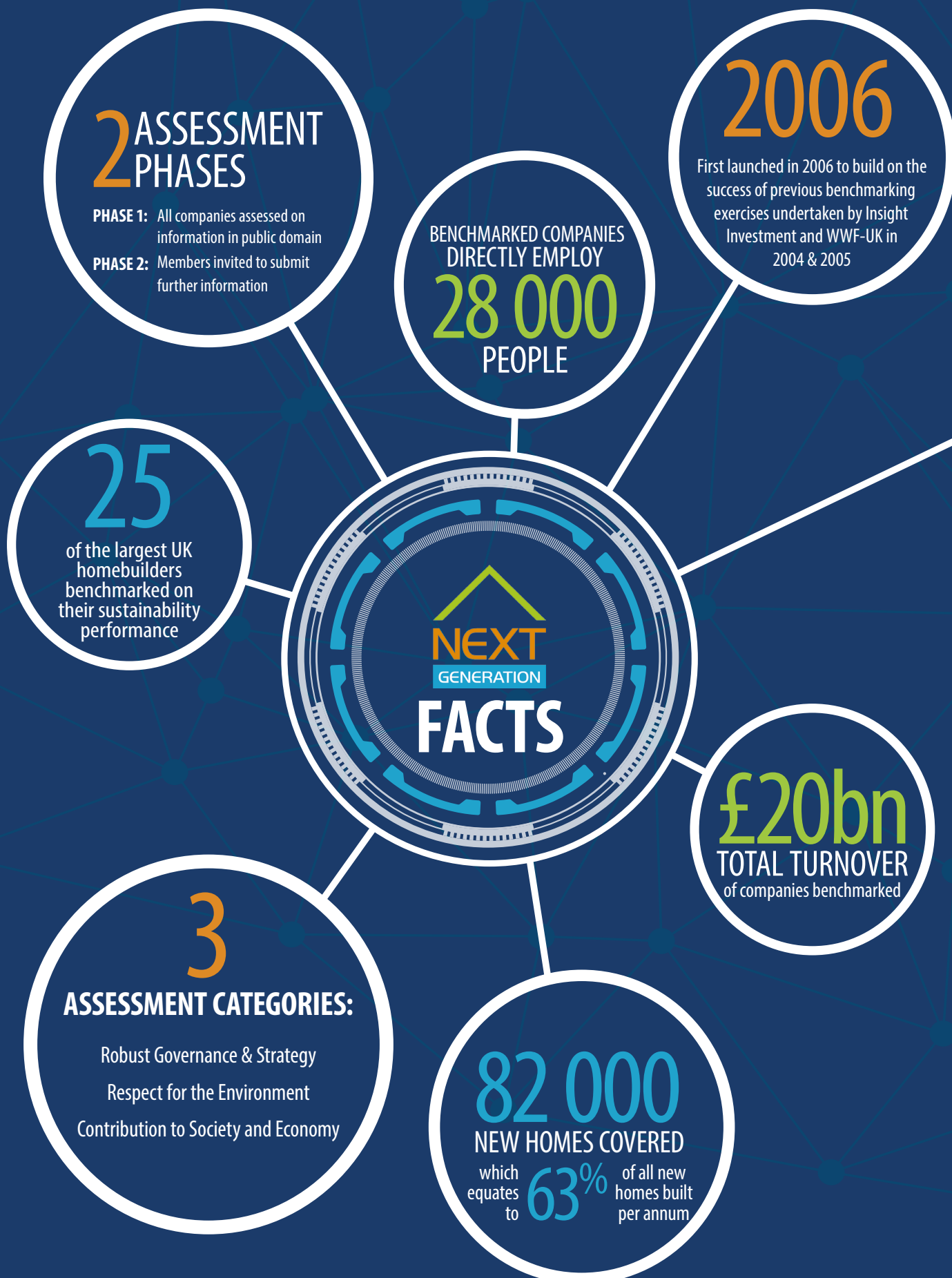
Alex Edds
UK Head of
Sustainability
JLL

Julie Hirigoyen
Chief Executive
UK Green
Building Council

Photo courtesy of
Lend Lease



NextGeneration is the only sustainability benchmark designed specifically for the UK private housing sector. Overseen by an Executive Committee made up of the Homes and Communities Agency and the UK Green Building Council, it is uniquely placed to help the homebuilding industry meet the complex challenges it is confronted with in building sustainable homes.



Creating value for stakeholders

NextGeneration companies can compare their performance year-on-year against their peers, and can use it to demonstrate their credentials to local authorities, investors, staff and customers, to gain competitive advantages.

NextGeneration encourages companies to continually improve the quality and sustainability of their homes and services by, for example, reducing household energy bills and improving the health, wellbeing and lifestyle of residents.

NextGeneration rewards homebuilders who work closely with local authorities and communities to deliver genuine benefits through job creation and improvements to infrastructure, education, and community facilities.

NextGeneration is an independent and credible sustainability benchmark designed specifically for the homebuilding industry. By identifying sector leaders, it helps investors to spot opportunities to generate long-term value, and engage with homebuilders on sustainability issues.

Through sustainability, employees can feel better about their role, where they work and their contribution to society. NextGeneration helps conscientious people find potential employers that meet their expectations, offering them opportunities to learn, be engaged and to feel valued while working towards a higher goal.

HOMEBUILDERS



- Save money and protect the company's reputation through effective management
- Win competitive tenders by delivering sustainable solutions
- Achieve planning success through proactive consultation
- Anticipate new legislation and customer trends
- Attract and retain good staff and suppliers
- Become an attractive partner for RPs
- Future-proof your business to attract long-term investors
- Identify opportunities for business development and innovation

CUSTOMERS & RPs



- Reduce household energy bills with more energy efficient homes
- Improve quality of life linked to superior quality housing
- Live in a place designed to foster communities
- Meet evolving lifestyle needs and aspirations
- Receive exemplary levels of customer service and satisfaction

LOCAL AUTHORITIES & COMMUNITIES



- Build a range of housing types and mixed tenure communities to serve local people
- Secure important investment in community infrastructure and services
- Build places that create long-lasting communities
- Create new jobs, training and skills for local people
- Generate public support with proactive engagement and consultation
- Provide cleaner, greener and more secure energy with new technologies and solutions

INVESTORS



- Identify sector leaders who are effectively managing short, medium and long-term risks
- Single out innovative sector leaders with good sustainability management and future performance potential
- Create opportunities for dialogue about sustainability issues

EMPLOYEES



- Find employers who are committed to being sustainable
- Work for dynamic and innovative companies that are building places for the future
- Contribute to society through volunteering and community support
- Access industry-leading training and career development options
- Be satisfied at work, feel engaged and valued

Company Rankings

Photo courtesy of Countryside

With a score of 83%, Crest Nicholson tops the league table for the first time, followed closely by Barratt Developments and Lend Lease who take joint second place with a score of 81%.

NextGeneration members continue to lead the sector, breaking new ground. With an average score of 70% (well above the industry average of 37%), NextGeneration members clearly benefit from participating in the initiative and dominate the leadership table.

While every homebuilder has moved on to a degree, the sector remains polarised, with a handful of companies now pushing well ahead of the rest of the sector. This does not necessarily mean that the others are not addressing sustainability effectively; it simply means that they are not publicly disclosing information about it.

It is no surprise that non-listed companies, less obliged to report to investors than listed homebuilders, do not score as highly as the listed companies. Encouragingly there are some exceptions to this: Countryside, Mount Anvil and Willmott Dixon are all privately owned and feature in the top ten this year. But with a sector average score of only 37% for the top 25, it is clear that

the industry as a whole needs to be more transparent. For this reason we would encourage any developer, listed or non-listed, to engage with initiatives like NextGeneration and learn from the leaders who are already enjoying the benefits.

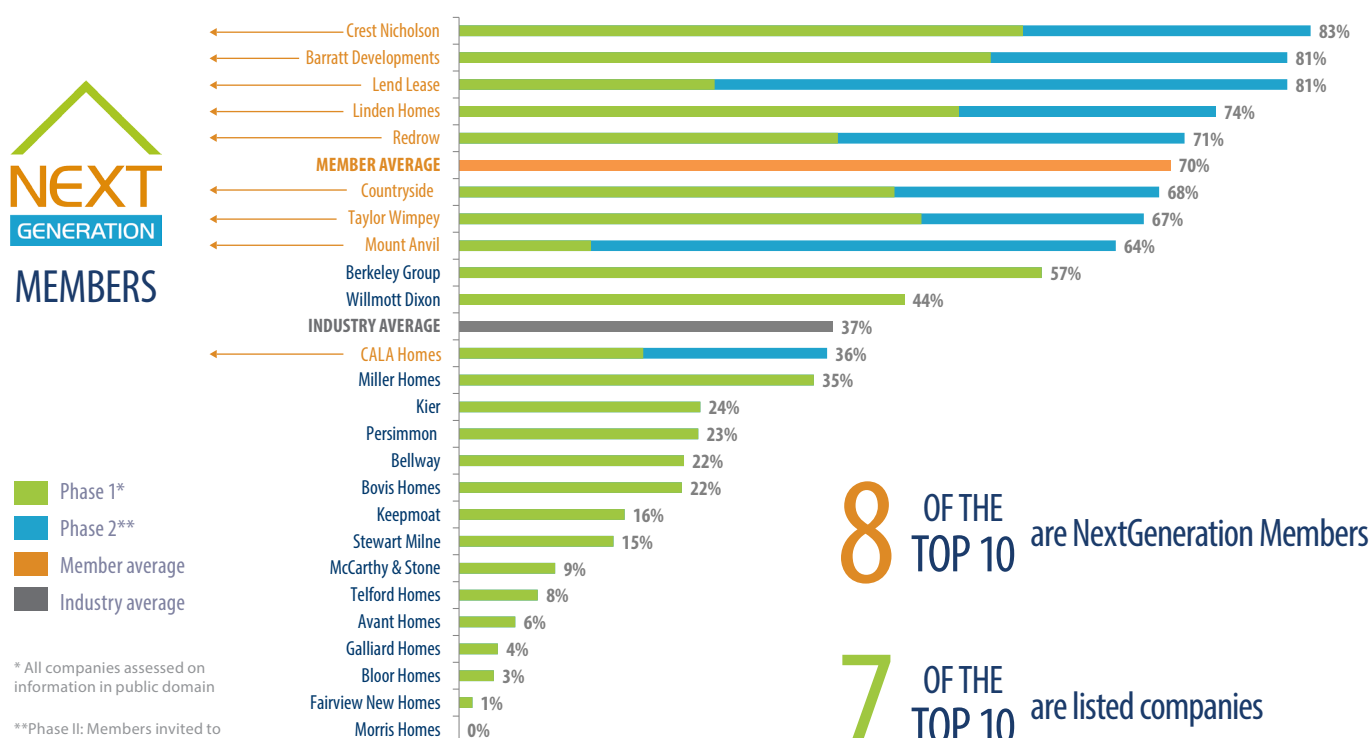
LEADING STRATEGIES

Barratt Developments achieved a score of 94B (FY 2015) in the Carbon Disclosure Project's 2015 survey - the highest for a national house builder. This shows investors and other stakeholders its leading approach to managing climate risk.

Taylor Wimpey was Highly Commended in the FTSE 250 Sustainability Reporting category of the PwC Building Public Trust Awards 2014, which aim to recognise trust and transparency in corporate reporting.

In 2015 **Crest Nicholson** secured a place in the FTSE4Good Index and was positioned within the 86th percentile for its 'supersector', scoring particularly highly in the Corporate Governance, Climate Change and Water Use categories. It also produced its first integrated report that explains how it is creating value – both financial and non-financial.

2015 NextGeneration Results



Detailed Results

Photo courtesy of Linden Homes

STRONGER PERFORMANCE

Figure 2 illustrates the highest score, member average and the industry average against all sub-sections within the benchmark.

WEAKER PERFORMANCE

Economic Development

More companies are estimating direct, indirect, and induced economic impacts that their schemes have on the local economy.

Energy and Carbon

More companies are delivering ultra-efficient homes and following the “lean, clean, green” ethos with a combination of energy efficiency, CHP and renewable energy measures. Several have also substantially reduced carbon emissions from construction activities.

Future Proofing

Several members are exploring the role of new technologies, materials, processes and business models in improving their product range and services. These include offsite manufacturing, renewable energy, smart homes technology as well as growth markets like the Private Rental Sector and retirement homes.

Community & Customer Engagement

Tougher criteria led to a drop in performance. Companies should engage with NGOs to better address the impacts of developments on local communities and enhance Considerate Constructors Scheme (CCS) scores to bolster performance in 2016.

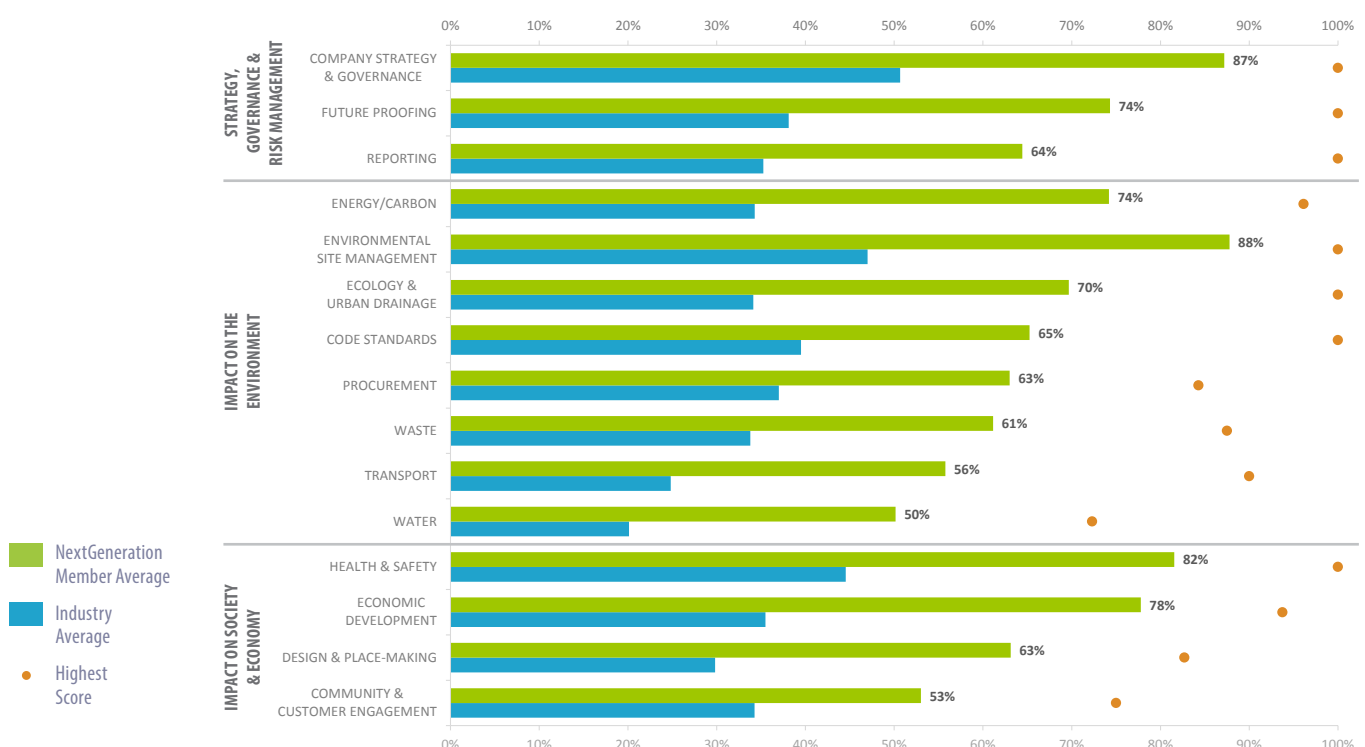
Sustainable Transport

More work needs to be done to reduce car dependency at new developments and to incorporate sustainable transport into land purchasing decisions.

Construction Waste

Tougher criteria led to a drop in performance. Companies should focus on reducing and disclosing the amount of waste generated and including demolition and excavation waste in reduction targets to bolster performance in 2016.

Figure 2: 2015 Results Breakdown



Award Winners

To enable stakeholders to quickly identify top performers in the NextGeneration benchmark, Gold, Silver and Bronze awards are awarded to the best performing companies. These accolades are intended to recognise and reward those companies which have firmly cemented their place as sector sustainability leaders. Winning an award enables them to distinguish their work from others and is an important marketing point that can be used to enhance their promotional materials and other communication documents throughout the year.



Crest Nicholson is a leading developer of sustainable communities including the award-winning regeneration of Park Central in Birmingham and Tadpole Garden Village in Wiltshire. It recently launched a 10 year sustainable business plan and is exploring market opportunities with new customer groups, including those in the private rental sector. It is also well known for its industry-leading “Make Waste History” campaign.



BARRATT
DEVELOPMENTS PLC

Barratt Developments was named Sustainable Housebuilder of the Year at the 2015 Housebuilder Awards. Its commitment to building innovative and sustainable homes is illustrated by an extensive list of initiatives and low-carbon developments including AIMC4, Hanham Hall, Tattenhoe Park and Scotswood. It recently formed a ground-breaking national partnership with Europe’s largest nature conservation charity, the RSPB, to protect and enhance the biodiversity on its sites.



Sustainability is at the heart of Lend Lease’s business and its bold plans for areas like The Wharves Deptford and Elephant & Castle are a reflection of this. The latter is aiming to be ‘climate positive’ by 2025 and will create Elephant Park, the largest new park in central London in the last 70 years. Its track record includes award-winning schemes like Athletes Village at the Olympic Park in Stratford.



“Gold award winners integrate sustainable thinking throughout their businesses. The rewards speak for themselves - measurable performance improvements, commercial benefits and reputational gains.”

**Alex Edds, UK Head of Sustainability
JLL**

Photo courtesy of
Crest
Nicholson



A strong commitment to community engagement and a determination to build sustainable communities all contribute to making Linden Homes a worthy award winner.

It is building on its sustainability credentials with significant successes at Graylingwell Park, one of the UK's largest carbon neutral developments, Home @ Heartlands in Cornwall and its partnership with Gateshead Council and the social landlord Home Group, to build 2,400 new, sustainable homes across 19 sites over the next 15-20 years.



Redrow has a strong focus on contributing to economic development, green infrastructure

and customer engagement. This year alone it has researched customer preferences for sustainable homes, analysed the whole-life carbon of a typical Redrow house, and has quantified the economic benefits of its UK-wide construction activity. It has also partnered with the RSPB and Bumble Bee Conservation Trust to incorporate wildlife-rich habitats into new schemes, such as the green roof at Amberley Waterfront.



COUNTRYSIDE

Countryside puts design and placemaking at the heart of its ethos. It is the developer behind the multi award-winning Great Kneighton development in Trumpington, which includes one of the largest public arts programmes in the UK. Public art is integrated throughout the design and an artist lives onsite, running a series of events to bring the community together. Its commitment to social inclusion is evident in its ambition to build places with "Net Positive Social Impact".



Taylor Wimpey has won awards for engaging customers at its Cambourne Sustainable Show Village in Cambridgeshire. Chobham Manor and Greenwich Millenium Village exemplify

the company's commitment to sustainable development. Its Economic Benefits Toolkit is also helping with community engagement, by highlighting the significant economic benefits arising from its developments.



Specialising in Central London, Mount Anvil excels in providing homes with excellent public transport, and car clubs for occasional use. It creates exemplary and individually designed buildings which fit within the community, such as Keybridge in Vauxhall - Britain's tallest brick residential tower which references Vauxhall's industrial heritage. The design will reduce carbon emissions by 42% over 2013 building regulations.



Since implementing Vision2020, Berkeley Group has put in place actions to incorporate sustainability into each

part of its business to ensure that it delivers high quality, sustainable homes. The Group's commitment to placemaking and sustainable communities is demonstrated by its Creating Successful Places toolkit. Berkeley Group is the only non-member company to win an award. Its score is based only on publicly available information, demonstrating its exemplary level of commitment to both sustainable development and transparent reporting.



"With an ever-increasing drive to significantly increase the UK's housing stock, there is the potential for environmental and social sustainability to be overtaken by the immediate need to prioritise construction. The NextGeneration benchmark helps Crest Nicholson to measure how well it balances its role in delivering homes to meet the market's demands with its long-term ambition of being a leading sustainable developer."

**Stephen Stone, CEO
Crest Nicholson**

Sustainability Mega-trends

SHAPING THE FUTURE OF HOUSING

Discussions around the future of housing often focus on the obvious: supply and price – but we are increasingly recognising that other, often long-term factors will shape the future of our built environment. Just this year JLL named eight trends likely to have a major impact on real estate– five of these on homebuilding - in the coming decades.

NextGeneration is progressive by its very nature. Not only are its criteria constantly evolving, but they are increasingly more forward-looking, pushing members to think and act well ahead of the curve. By actively managing their futures, NextGeneration members are more likely to deliver strong operational performance and maximise the value they generate for their stakeholders.

Indeed this is already clear from the way that NextGeneration members are approaching the challenges that these trends present. By sharing examples from these leading companies, we hope to inspire others to act and ultimately prepare the industry for the big challenges that lie ahead.

1
THE
LOW CARBON
ECONOMY

2
RESOURCE & SKILLS
SHORTAGES

3
CHANGING
DEMOGRAPHICS

4
CAPTURING
SOCIAL
VALUE

5
DRIVING
INNOVATION

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“The NextGen scheme has been a great motivator to help us really interrogate, analyse, develop and communicate our sustainability and environmental policies.”

**Sean Wilkins, Group Design & Build Co-ordinator
Mount Anvil**

*Photo courtesy of
Mount Anvil*

Photo courtesy of
Linden Homes

1 THE LOW CARBON ECONOMY

The UK Government remains committed to reducing 80% of the country's emissions by 2050 despite withdrawing the Code for Sustainable Homes (CfSH) and its plans for zero carbon homes by 2016, as part of its Red Tape Challenge. And by the end of 2020 all new buildings will need to be nearly zero-energy to meet the requirements of the European Energy Performance of Buildings Directive. What's more, Local Authority carbon reduction and energy security targets are driving district heating obligations across the UK. As we move towards these tougher requirements, homebuilders must create efficient, low carbon homes with cost-effective solutions that are acceptable to customers. This means taking a comprehensive look at building fabric, services and appliances as well as the lifestyle of its occupants.

LEADING STRATEGIES

Lend Lease is aiming for the £1.5 billion regeneration of Elephant & Castle to be 'Climate Positive' by 2025. It has also been named by the Mayor of London as a low carbon zone tasked with generating local, cleaner, better value energy. Key to the scheme is an Energy Hub, with a combined heat and power plant that uses biomethane to deliver net zero carbon heat and hot water across the site and beyond.

Research commissioned by **Redrow** found that its homes use substantially less carbon than the typical house: 10% less in the construction stage and 48% less in use. It is using the findings to uncover new ways to cut carbon across a home's life, including helping customers use their homes most efficiently.

Mount Anvil's plans for Keybridge, Britain's tallest brick residential tower in Vauxhall will reduce carbon emissions by 42% over 2013 building regulations.

CALA Homes are volunteering homes to trial the new BRE Home Quality Mark (HQM). New homes meeting the highest HQM criteria will be up to 50% more energy efficient than existing ones and will ameliorate a range of health-related issues linked to inferior quality housing.

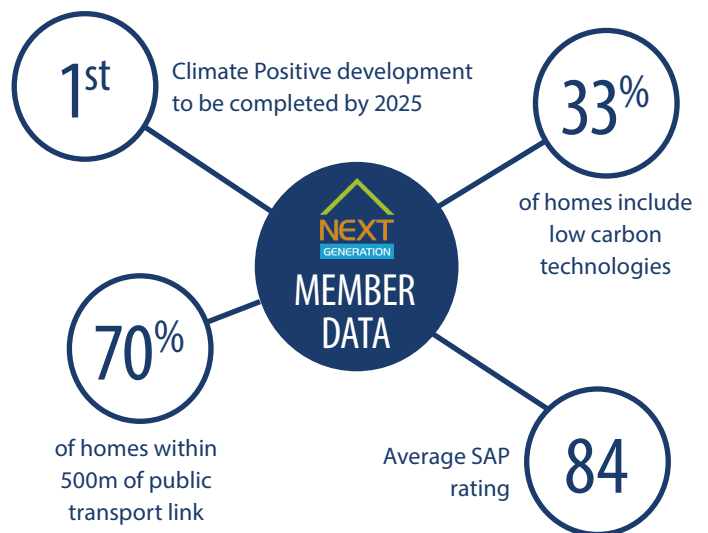
“The outcome of the NextGeneration report is extremely valuable to us as a business. It provides us with coherent and detailed information on our sustainability performance against both our peers and the latest best practice.”

Andrew Richards, Group Managing Director of Linden Homes



WHAT WE LOOK FOR

- Measures to deliver low carbon homes including low carbon district heating schemes and renewable energy solutions
- Measures to close the gap between design and as-built performance



VALUE TO STAKEHOLDERS



HOMEBUILDERS

Competitive tenders and planning consents secured by being able to deliver sustainable solutions



CUSTOMERS & RPs

Lower running costs and household fuel bills



LOCAL AUTHORITIES & COMMUNITIES

Low carbon neighbourhoods with lower bills, active lifestyles and fewer carbon emissions



INVESTORS

Low carbon investments which generate long-term shareholder value



EMPLOYEES

Opportunities to develop skills in low carbon solutions and technologies and contribute to a more sustainable future

2

RESOURCE & SKILLS SHORTAGES

Photo courtesy of Countryside

Following the economic downturn, the construction industry is struggling to keep pace with the resurgence in demand. There is a shortage in both key materials (like bricks and blocks) and skilled labour, and we must reduce our reliance on scarce and unsustainable natural resources.

The industry also depends on a consistent supply of land, its most fundamental resource. As the supply of suitable land in places where people want to live weakens, we'll see more complex sites released to market, including greenfield strategic sites, where the technical and ecological challenges are often significant.

If the industry is to meet the UK Government's target to build one million new homes by 2020, it must find innovative ways to secure labour and materials; improve build efficiency and quality; and make the best use of land and natural resources.

LEADING STRATEGIES

Crest Nicholson's new Site Management Academy scheme goes above and beyond standard apprenticeships by providing participants with a longer term career path. Backed by the Chartered Institute of Building (CIOB) and the Construction Industry Training Board (CITB) it enables newly qualified staff to gain the sought-after CSCS Site Manager card.

CALA Homes has partnered with The Prince's Trust as part of its 'Get into Construction' initiative which provides jobs and training opportunities in homebuilding for disadvantaged young people across the UK. Working with its supply chain, CALA hopes to find permanent employment for young people who complete the program. This initiative aims to address social exclusion and youth unemployment whilst also seeking to combat a growing skills gap in the construction sector, creating shared value for communities and the homebuilding sector at the same time.

Taylor Wimpey recently created a sustainability checklist for land acquisitions, focusing on well-located sites with the potential not only for creating viable new communities but for enhancing local ecology and green spaces. At Chobham Manor it is integrating brown roofs and green walls and a wide variety of native species, fruit trees and hedgerows to promote biodiversity.

Several companies are using construction materials made with recycled and recyclable content such as flooring, windows and insulation. For example, **Linden Homes** uses insulation made from recycled glass in all its homes, which has over 50% less embodied carbon than traditional alternatives.

A number of key suppliers now provide innovative take-back schemes – for example, for carpet offcuts and empty paint tins. Designer Contracts provide flooring for 30% of **Barratt's** homes and divert 90% of its fitters' surplus carpet into felt underlay, with the remainder used in the equestrian sector for arena flooring.



WHAT WE LOOK FOR

- The energy and water efficiency of new homes and construction sites
- Level of construction waste and presence of recycling facilities within new homes
- Adoption of environmental management standards and the Code for Sustainable Homes
- Measures to enhance green space, biodiversity and sustainable urban drainage
- Measures to raise the ethical and environmental standard of key suppliers and construction materials
- Initiatives to increase training, skills and alternative entry pathways particularly for young people

VALUE TO STAKEHOLDERS



HOMEBUILDERS

Less potential for delays, defects and costs



CUSTOMERS & RPs

More high-quality sustainable homes built on time



LOCAL AUTHORITIES & COMMUNITIES

New jobs, green spaces and economic benefits directly and via the supply chain



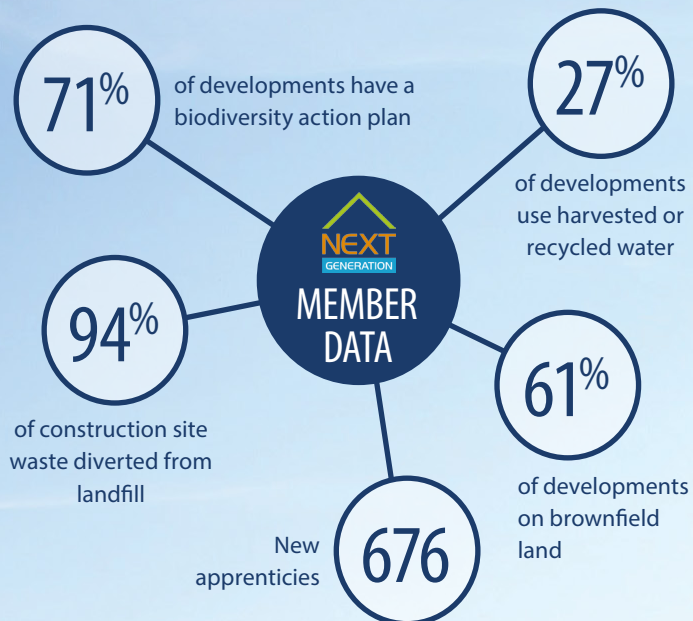
INVESTORS

Less potential for delays, defects and costs increases profitability



EMPLOYEES

New jobs, training and development opportunities



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“The NextGeneration Benchmark continues to help us drive our socio-economic performance and the evolution of the benchmark is also playing a key role in our planning for the future by identifying emerging issues. We are absolutely committed to building great sustainable homes and places for our customers to live and this assessment shows the progress we continue to make.”

**Tom Keevil, Group General Counsel and Company Secretary
Barratt Developments**

Photo courtesy of
Barratt
Developments

3

CHANGING DEMOGRAPHICS

Photo courtesy of
Barratt
Developments

The world is rapidly changing and the industry must ensure that new homes work for customers' needs and lifestyles today and in the future. The UK population is both increasing and ageing, and more people are living in cities. Current projections show that this pattern is set to continue, placing further pressure on housing and services and bringing new challenges to placemaking. Forward-thinking designs and adaptations are needed for the built environment to respond to these shifts in society. This involves looking at changing demographics, living patterns and household structures as well as people's evolving lifestyle needs.

For example, the changing lifestyles of people aged under 35, and the affordability of homes at current market prices, are set to contribute to a surge in the UK's private rental sector. People are changing how they want to live and use their cities, and the potential challenge is for developers to build what these people want - secure high speed internet, gym facilities, and easy access to a variety of bars, restaurants, shops and experiences.

Meeting these ever-changing expectations will depend on monitoring emerging market trends and exploring new business models and channels to markets, including retirement living, the Private Rental Sector, and additional services and income streams such as concierge services and facilities maintenance. Lower levels of home ownership will also bring new challenges to community cohesion as resident turnover increases, placing even greater importance on design that encourages people to meet and engage with their neighbours.

LEADING STRATEGIES

With its new 'downsizer' range, aimed at a growing number of affluent older homeowners, **Barratt Developments** is the first mainstream UK house builder to move into what has been, until now, a specialist market. It has also teamed up with Architects Journal to launch a "Future Homes" competition in search of a bold house design which will respond to changing demographic, technological and consumer trends over five to ten years. In addition, Barratt Developments' own design initiative 'Great Places' is aligned to the Building for Life standard. The principles are applied on every development, leading to more accreditations than any other UK developer, including two Built for Life 'outstanding' accreditations at Barnet and Southgate College, London and Scotswood in Newcastle (see photo above).

Crest Nicholson is reviewing market opportunities with different customer groups, including those in the private rental sector. It has signed a landmark deal with M&G Real Estate for the sale of 97 new private rental homes in Bath Riverside - a transaction expected to lead to a longer term relationship.

Multi award-winning Great Kneighton in Trumpington includes one of the largest public arts programmes in the UK. Here **Countryside** worked closely with specialist designers and artists to deliver a skate park, play areas, and trails, all integrated with public art. There is also an artist living on site, running a series of events to bring the community together.

Taylor Wimpey launched Project 2020 to determine what the house of the future will look like so that it can design its product range for 2020 and beyond. It recently appointed a Customer Director to create a truly customer-centric business. Its Chobham Manor development will address the local need for family-size homes in East London. 75 per cent of the properties have three or more bedrooms and a number of homes have been designed specifically to appeal to multiple generations of the same family and to facilitate home working.

KEY FACTS

- By 2040, Britain's population is projected to surge by nearly 10 million, or 15 per cent, from its current 65 million
- By 2065, 26% of the population of England and Wales will be over 65 years old, up from 18% today
- By 2030, the UK population will reach 70.1 million, with 82.7% living in urban areas



WHAT WE LOOK FOR

- Proactive engagement and consultation with local communities
- Adoption of recognised design standards and possession of respected design award



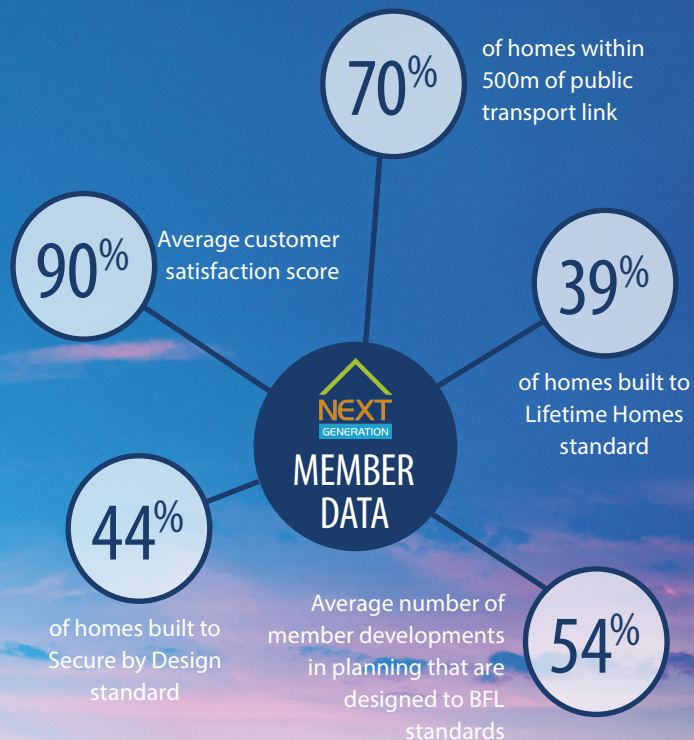
"At Lend Lease, sustainability is all about people and meeting their needs for the future – we do this by focusing on enhancing the environment, communities and economies in the areas where we operate. Lend Lease values the independent benchmarking of our sustainability credentials against our peers through the Next Generation initiative."

Miles Lewis, Sustainability Manager – Residential Development, Lend Lease

“

We are firmly focussed on developing and implementing our sustainability strategy, concentrating on those issues that are material to our business. Being a member of NextGeneration provides a valuable yardstick by which we can measure our progress in comparison with our peers in key areas.”

Nigel Smith, Research and Sustainability Director
Redrow



VALUE TO STAKEHOLDERS



HOMEBUILDERS

New business models, markets and revenue streams



CUSTOMERS & RPs

Homes which meet customers' evolving lifestyle needs



LOCAL AUTHORITIES & COMMUNITIES

Housing that meets local need and demand



INVESTORS

Revenue growth



EMPLOYEES

Experience in emerging markets

Photo courtesy of
Redrow

4

CAPTURING
SOCIAL
VALUEPhoto courtesy of
Redrow

Housebuilding plays an important role in the UK economy: every £1 spent on housing puts £3 back into the economy. From job creation and investment in local services to addressing our current chronic housing shortage, the industry is a key driver of growth. The industry contributes around £576m every year to fund new schools, health centres, sports facilities, green spaces, play areas and improvements in roads and public transport through section 106 agreements with local planning authorities. It is a major employer too, supporting 600,000 jobs directly and via its supply chain.

Against a backdrop of welfare reform and cuts in public expenditure, developers will be increasingly required by Local Authorities and other public clients to contribute to the wider communities in which they operate. This means delivering more than just great new homes, but also new facilities, local jobs and training, more choice and affordable homes. Key to this will be proactive consultation with communities, to understand local needs and how we can create better places that people want to live in and that existing communities will embrace.

LEADING STRATEGIES

Tadpole Garden Village is a visionary and highly sustainable development that will comprise a selection of family homes, as well as a range of retail, education, small business and community facilities. **Crest Nicholson** established a Community Interest Company (CIC) to own and manage the community buildings and green spaces, including a 40 hectare Nature Park, in a way that suits the community.

Taylor Wimpey's Economic Benefits Toolkit calculates benefits to the local economy and presents them in an easy to read visual format so that local stakeholders can understand the significant economic benefits of building new homes. It is also trialling social media engagement alongside conventional consultation.

Linden Homes has partnered with Gateshead Council and social landlord Home Group, to build 2,400 new, sustainable homes across 19 sites over the next 15-20 years. The collaboration is viewed as an innovative approach to addressing a chronic shortage of affordable housing, against a backdrop of a tough economy and limited available public funding.

A recent study by **Redrow** concluded that its development in Widnes will deliver 30 net additional full time jobs and £1.15m GVA/annum for the North West region. Based on these findings it estimates that 1,080 jobs and £41.4m GVA/annum has been generated during the year as a result its UK-wide construction activity. This excludes the additional benefits from the £128m invested via S106 contributions and the Community Infrastructure Levy (CIL).

Countryside is quantifying the substantial positive impact that its proposed schemes will have on the local economy. It has also teamed up with Reading University and Social Life to track the social impact of the regeneration of Acton Gardens to see how local needs can influence future planning, design and management.

KEY FACTS

- £12.5bn invested in land and buildings for homes
- £5.5bn spent on suppliers, 90% of which stayed in the UK
- 130,000 new homes
- 600,000 jobs generated
- £131m invested in open space, community, sport and leisure facilities
- £5bn contributed to public services through tax paid, the construction of affordable housing and infrastructure improvements
- £3.8bn spent in local shops and services by residents of new homes



WHAT WE LOOK FOR

- Measures to increase local jobs, training and economic benefits of new housing schemes

VALUE TO STAKEHOLDERS



HOMEBUILDERS

Better planning success through proactive consultation and engagement



CUSTOMERS & RPs

A range of homes and tenures with access to good local services



LOCAL AUTHORITIES & COMMUNITIES

Balanced communities with more homes, jobs and services



INVESTORS

Improved sales performance by enhancing the desirability of a place and creating further demand for housing



EMPLOYEES

Opportunities for skills-based volunteering and community support



Photo courtesy of
Taylor Wimpey

5

DRIVING
INNOVATION

Housebuilding is increasingly complex and calls for a broader range of skills, knowledge and innovation than ever before. Big challenges lie ahead for the industry. How do we deliver low and zero carbon homes and improve affordability? How do we build more homes despite resource constraints and a shortage of key skills? How do we deliver a quality product and service at the same time as increasing volumes?

More than ever, homebuilders need to find innovative solutions that can turn industry-wide challenges into business opportunities and competitive advantage. Developing a culture of innovation where customers' evolving needs are met with creative solutions will be vital, but not easy in an increasingly complex industry. Touching on almost every aspect of the business and supply chain, it involves exploring the role of new technologies, materials, processes and business models in meeting changing market needs and aspirations.

LEADING STRATEGIES

Mount Anvil found that rebuilding Cameron Hall in North London would have notably lower carbon dioxide emissions over its lifetime when compared to retaining the existing building in its current condition. Operational carbon emissions saved due to the energy efficiency of the new building far outweighed the relatively high embodied carbon of the building fabric.

Barratt Developments is piloting a variety of smart thermostats which allow residents to adjust their heating remotely using a smartphone or laptop. It has also appointed a Technical and Innovation Director to grow offsite construction, improving build speed, safety and reducing waste.

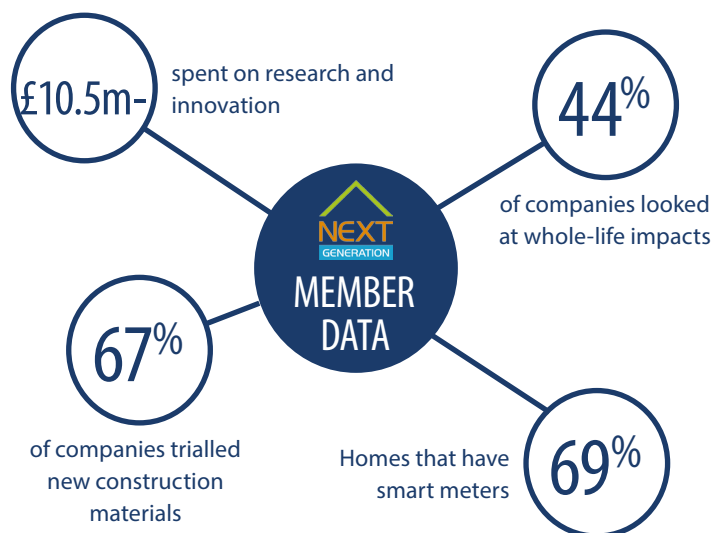
Taylor Wimpey is trialling an innovative Carbon Futures (CF) Assessment carried out by an external consultancy. CF quantifies and tracks the carbon profile of the Whitehill and Bordon Regeneration scheme. Through Project 2020, Taylor Wimpey has started learning from markets like Japan, known to be advanced in offsite manufacturing, renewable energy and smart homes technology.

Lend Lease is developing social media apps for residents at Elephant Park, enabling them to check mobile devices for events, transport information and much more. All this information will be used to examine visitor behaviour, drive footfall and continually improve interaction. Residents will also be able to monitor energy usage, get energy saving tips, pay bills, and control their heating via an app on a tablet or smartphone. It's also testing new paint that is formulated to remove harmful toxins from the air and is trialling the effectiveness of calcium magnesium acetate (CMA) as a dust suppressant at its Heygate site.



WHAT WE LOOK FOR

- Investment in innovation, research and participation in industry-led initiatives to enhance the sustainability of the sector



VALUE TO STAKEHOLDERS



HOMEBUILDERS

New business models and channels to market and improvements in efficiency, productivity, quality, competitiveness, and market share



CUSTOMERS & RPs

Superior homes with the latest technologies, materials and designs



LOCAL AUTHORITIES & COMMUNITIES

High quality, affordable and sustainable homes delivered more quickly



INVESTORS

Innovative solutions can boost investment performance



EMPLOYEES

New skills and experience in ground-breaking technologies



Collaboration

NextGeneration aims to “join the dots” in whatever ways will create the kind of transformative change the industry needs right now. We are convinced that this involves working in collaboration with other change makers, organisations, institutions, and enterprises in ever new and imaginative ways.

WHAT WE ARE LOOKING FOR IN A COLLABORATION

- A common goal of creating an industry that delivers high quality, sustainable housing and long-term value for its stakeholders
 - Industry engagement, for example working together on publications, seminars and events to raise awareness of the initiative and build mainstream appeal
 - Opportunities for building connections, “joining the dots” and to learn more about the issues affecting homebuilders and their stakeholders and how we can work together to create transformative change
 - Financial sponsorship
- To enquire further please email JLL's Sustainability Services Team at upstream@eu.jll.com



Photo courtesy of
CALA Homes

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Becoming a NextGeneration member has allowed CALA to review, assess and prioritise our approach to sustainability issues and how we communicate this to our stakeholders and beyond. We particularly appreciate NextGeneration's review of social and economic impacts: our efforts to encourage young people into the construction industry are as important to us as our environmental approach.

**Rebecca Perry, CSR Manager,
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Evolution 100 Silk is an FSC certified recycled paper and board range manufactured using 100% post consumer recycled fibre

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