Appeal by Bloor Homes South West
Land at Sodbury Road, Wickwar

Appeal ref. APP/P0119/W/23/3323836

LPA ref. P22/01300/O

Proof of Evidence – Housing Delivery and Housing Land Supply
APPENDICES

Jeff Richards (BA (Hons) MTP MRTPI)

October 2023

Turley

Appendices Contents

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October 2023

Appendix 1: JRHLS1 – Turley Assessed Trajectory

Turley

Appendix JRHLS1 – Turley Assessed Trajectory

RLS Ref.	Planning Application Number	Address	Developer	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	LPA total	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	Turley Total	Diff.	Turley Commentary
0008ad	PT18/0268/RM	Charlton Hayes - Bovis [H1, H2a and H2b]	Bovis		18	72	12	8					8	8					8	0	Not disputed
0011a	PT15/1179/O	East of Coldharbour Lane - Phase 1 (PT15/1179/O)	Taylor Wimpey	52	45	16	17	11					11	11					11	0	Not disputed
0021b	PT17/5810/RM	Land at Harry Stoke, Stoke Gifford	Crest Nicholson, Sovereign & Linden/			10	191	239	149	65	37	72	562	239	149	65	37	72	562	0	Not disputed
0035	PK10/1057/F	South of Douglas Road, Kingswood	Douglas Homes Southwest Ltd.	20	21	27	40			20	25	25	70			0	0	0	0	-70	A full application (ref. PK10/1057/F) for demolition of existing buildings and erection of 306 homes, a nursing home and a sheltered housing scheme was submitted by Douglas Homes Southwest Ltd and approved in December 2014. First completions were in 2017/18 and 126 homes have been completed to date. However, whilst I recognise that this site has detailed consent (whereby it falls within limb a) of the definition of deliverable) and has delivered units to date, the last units to be completed were in the 2020/21 monitoring year and development on the site has now stopped, with construction abandoned, dwellings left partly completed and parts of the site still occupied by industrial units. This is because the developer, Douglas Homes (Bristol) Ltd ceased trading, the company has been wound up, a petition has been submitted to the court (included in the evidence relating to this site at Appendix JRHLS2), and they are now insolvent and no longer trading. I visited the site on 15 September 2023 to confirm the above position and photos from my visit are included at Appendix JRHLS2. With no completions having been delivered since 2020/21, this means that the site has been abandoned with no ongoing construction for over 2 years and the company who were developing the site are no longer in operation. The future delivery of the remaining homes on the site is, therefore, highly uncertain. It is not clear whether the site will be sold to another party or whether there will be any intention to continue to deliver the homes for which permission was granted nearly 10 years ago. Overall, this is clearly not a site that the Council should be relying on to deliver homes in the five year period and it should be removed from the Council's housing land supply.
0036ah	PK15/0681/R M	Lyde Green - Parcel 11	Barratt Homes		2	6		9					9	9					9	0	Not disputed
0036ao	PK17/4155/R M	Lyde Green - Parcels 18, 20a & 20b	Persimmon Homes			59	50	5					5	5					5	0	Not disputed
0036ar	PK18/1513/R M	Lyde Green - Parcels 27a & 28	Persimmon Homes		37	53	33	17					17	17					17	0	Not disputed
0036av	P19/8823/RM	Lyde Green - Parcel 16b	Taylor Wimpey				8	88					88	88					88	0	Not disputed
0036aw	P19/16786/RM	Emersons Green East - Parcel 2b	Taylor Wimpey						9	10			19		9	10			19	0	Not disputed
0036ax	P20/10826/RM	Emersons Green East - Parcel 27B	Persimmon Homes					15	12				27	15	12				27	0	Not disputed
0036ay	P21/03348/RM	Emersons Green Parcel 29	Taylor Wimpey						37	30			67		37	30			67	0	Not disputed
0036az	P21/06187/RM	Parcel 30 Emersons Green	Persimmon						20	20	23		63		20	20	23		63	0	Not disputed
0036aaa	P19/19012/RM	Emersons Green East - Parcel 19	Taylor Wimpey					74	2				76	74	2				76	0	Not disputed
0036d	PK17/1112/F	Land South Of Lyde Green	BDW & Taylor Wimpey					2	27				29	2	27				29	0	Not disputed
0036e	PK18/3977/F	Land At White House Farm	Taylor Wimpey & Persimmon					24	19				43	24	19				43	0	Not disputed
0133	PK12/1913/O	Land at North Yate	Barratt/DWH										0	160	160	160	160	160	800	-638	This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. There are a number of rows in the Council's supply position statement relating to this site (which I have collated and set out in Appendix JR3 to my evidence). Whilst this site has various detailed consents in place for development, the Council predict very high levels of delivery, including delivery of over 300 homes in some years and average approximately 288 homes per annum across the five year period which is wholly unrealistic, particularly considering current evidence on market conditions and expected lower delivery rates. My figures represent more realistic delivery rates that should be adopted over the five year period.
0133ab	PK17/5388/R M	Land at North Yate - PL23a, PL23c	Barratt Homes	14	46	8	6	3	0	0	0	0	3	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133ah	P19/2525/RM	Land at North Yate - PL17a, 17b, 18a, 18b & 21	David Wilson Homes				51	40	40	40	40	18	178	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133ai	P19/14361/RM	Land at North Yate - PL14e	Barratt Homes					32	16				48	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.

0133aj	P19/12246/RM	Land at North Yate - PL12a, PL13a	Barratt Homes				21	110	24				134	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133ak	P20/16804/RM	Land at North Yate - PL7, 8, 9 & 11	Barratt Homes					23	40	40	40	40	183	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133al	P21/02473/RM	Land at North Yate - PL5c and PL6	Taylor Wimpey					42	72	43			157	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133an	P21/03161/RM	North Yate - PL19, 20, 28 and 29	David Wilson Homes					40	40	40	16		136	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133ap	P22/02306/RM	Land at North Yate - PL3, 14a, 14b, 14c	Barratt Homes						42	74	50	35	201	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133as	P19/11377/RM	Land at North Yate - PL24, 25, 26 & 27	Bellway				52	40	40	40	40	35	195	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0133aq	P22/03612/RM	Land at North Yate - PL10, 30, 31	David Wilson Homes							20	27		47	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0134a	PT14/0565/O	Cribbs/Patchway NN - West of A4018 Haw wood	Taylor Wimpey										0						0	0	Not disputed
0134aa	P21/04349/RM	Land At Cribbs Causeway (Berwick Green)	Bellway					10	48	48	48	48	202	0	40	40	40	40	160	-42	A reserved matters application (P21/04349/RM), pursuant to outline ref. PT14/0565/O, for 256 dwellings was submitted by Bellway Homes in 2021 and approved in April 2022. This site has detailed consent and is under construction. I agree that the site is a deliverable site and will deliver homes in the five year period. However, the Council suggest that the site will deliver 202 units in the next five years but, based on the number of homes delivered to date (which I have seen from a recent site visit) and those that can be reasonably expected over the remaining years to the end of the current 5 year period, this level of delivery is too high in my view. I visited the Bellway site on the 15th of September 2023. The sales office was open and there is an indication that a couple of the housing plots have been sold/reserved. However, there was no indication of any resident occupation as yet. Whilst a number of homes are clearly under construction, it is clear that there were no housing completions in 2022/23 and I would be surprised if Bellway were to deliver the estimated number of completions that the council suggests in 2023/24 (48 homes), bearing in mind that we are 6 months into the current 2023/24 monitoring year. Average delivery rates for a single outlet are also expected to be lower that the Council suggests going forward. Based on an average delivery of 40 homes from the outlet per annum (cognisant that this site is immediately adjacent to a Taylor Wimpey site (the Berwick Green / Haw Wood site considered below) that is also delivering homes, from which there will be market competition, and very close to other housebuilding sites by Persimmon and Countryside), my view is that it is reasonable to expect 160 homes to be delivered in the five year period
0134ab	P21/04748/RM	Parcels 14-19 Land At Cribbs Causeway (Berwick Green / Haw Wood)	Taylor Wimpey						51	93	77	23	244		40	40	40	40	160	-84	A reserved matters application (P21/04748/RM), pursuant to outline application ref. PT14/0565/O, for 244 homes was submitted by Taylor Wimpey and approved in October 2022. This site has detailed consent and is under construction. It is a site that is being delivered adjacent to the Bellway Berwick Green site above). I agree that the site is a deliverable site and will deliver homes in the five year period. However, the Council suggest that the site will deliver 244 units in the next five years but, based on the number of homes delivered to date (which I have seen from a recent site visit) and those that can be reasonably expected over the remaining years to the end of the current 5 year period, this level of delivery is too high in my view. I visited the Taylor Wimpey site on the 15th of September 2023. There are a number of homes under construction and the sales office is open. However, none of the homes are available for occupation and there is no indication that there will be any more than one sales outlet operating on the site. My visit indicates confirmed that there were no completions in 2022/23 and, compared to the Council's prediction of 51 homes in 2023/24, I consider that fewer completions will actually be seen. Going forward the Council also estimates delivery rates of 93 and 77 homes in years 3 and 4 which, given current market conditions and for a single outlet, this is unrealistic in my view. Consistent with the Bellway site, above, based on an average delivery of 40 homes from the outlet per annum (taking in consideration surrounding market competition), my view is that it is reasonable to expect 160 homes to be delivered in the five year period.
0134ad	P22/01200/RM	Triangle Land Station Road/A4018 Cribbs Causeway	Countryside Partnerships South West									130	130					130	130	0	Not disputed
0134b	PT12/1930/O	Cribbs/Patchway NN - Wyke Beck Rd/Fishpool Hill	Persimmon										0						0	0	Not disputed

0134ba	P21/05421/RM	Land At Wyck Beck Road And Fishpool Hill	Persimmon Homes Severn Valley						40	48	48	48	184		40	40	40	40	160	-24	A reserved matters application (P21/05421/RM), pursuant to application ref. PT12/1930/O, for 235 dwellings was submitted by Persimmon Homes and approved in December 2022. I do not dispute that this site can be considered deliverable. However, the Council projects delivery of up to 48 homes in consecutive years within the next five years, which I consider this overly optimistic. As set out in relation to other sites above (which this site is close to, and from which there will be market competition), housebuilders (including Persimmon) are reporting that the current challenging market conditions are resulting in completions rates lower than have been seen in previous years. This site has detailed consent and is under construction, however, a delivery rate of 40 homes per annum (in years 2-5) is considered more realistic.
0134bb	PT15/4165/F	Cribbs/Patchway NN - Charlton Common	Redrow						20	30	30		80		20	30	30		80	0	Not disputed
0134c	PT14/3867/O	Cribbs/Patchway - Former Filton Airfield	YTL										0						0	0	Not disputed
0134ca	PT18/5892/RM	Parcels RO3 and RO4 - Former Filton Airfield	YTL				48	95	45	114			254	95	45	114			254	0	Not disputed
0135a	PT16/4782/O	New Neighbourhood - East of Harry Stoke [South of railway]	Crest Strategic Projects Ltd										0						0	0	Not disputed
0135aa	P20/17975/RM	New Neighbourhood - East of Harry Stoke - [South of railway] (PT16/4782/O)	Crest Nicholson (South West) Ltd.					34	61	51			146	34	61	51			146	0	Not disputed
0135b	PT16/4928/O	New Neighbourhood - East of Harry Stoke - [North of railway]	South Glos Council / Crest Nicholson Operations										0						0	0	Not disputed
0135ba	P20/03681/F	New Neighbourhood - East of Harry Stoke - Wain Homes [North of railway]	Wainhomes (Severn Valley) Limited					36	36	36	42		150	36	36	36	42		150	0	Not disputed
0135d	PT17/5873/O	New Neighbourhood - East of Harry Stoke [Land off Old Gloucester Road, Hambrook]	Castel Ltd										0						0	0	Not disputed
0138d	PT17/5624/RM	Phase 3b Frenchay	Redrow Homes (South					34	35				69	34	35				69	0	Not disputed
0138e	PT17/5363/RM	Phase 4 Frenchay	Redrow Homes (South				48	90	24				114	90	24				114	0	Not disputed
													0						0	0	Not disputed
0156	P19/5320/RM	Eastwood Park, Falfield (PT12/3707/O)	Broadway Heritage Ltd					-10	10	10			10	-10	10	10			10	0	Not disputed
0167	PT17/3333/RM	R/O Dick Lovett, Laurel Hill, Cribbs Causeway	Strongvox Homes	-2		5	29	47	4				51	47	4				51	0	Not disputed
0167a	P19/18442/F	Land To The West Of Catbrain Hill	Strongvox Homes						30				30		30				30	0	Not disputed
0174	P20/17527/F	Mendip Crescent, Downend	Bromford					7					7	7					7	0	Not disputed
0204	P19/2524/RM	West of Gloucester Road, Thornbury (PT16/4774/O)	BDW Trading Limited				52	50	28				78	50	28				78	0	Not disputed

0207	P19/3928/RM	Heneage Farm, Falfield (PT17/4800/O)	Linden Limited (Trading As Linden Homes			5	46	25	9				34	25	9				34	0	Not disputed
0211	P19/14956/F	Land To The West Of Stowell Hill, Tytherington	Keynsham Build Ltd					14	15				29	14	15				29	0	Not disputed
0218	P19/4513/RM	Land South Of Park Street, Hawkesbury	Spitfire Bespoke Homes Ltd					11	10				21	11	10				21	0	Not disputed
		Upton (PK18/1532/O)											0						0	0	Not disputed
0219	P19/5258/RM	Land South Of Horwood Lane, Wickwar (PK17/4552/O)	Linden Ltd (T/A Linden Homes Western)				43	36	11				47	36	11				47	0	Not disputed
0222	PT18/6493/RM	Land north of Wotton Road, Charfield, Gloucestershire	Barratt Homes				66	40	9				49	40	9				49	0	Not disputed
0223b	P19/18441/RM	Phases 2 And 3 Land At Park Lane Coalpit	BDT Trading Ltd				18	50	40				90	50	40				90	0	Not disputed
0224	P19/15929/RM	Former North Avon Magistrates	Soveriegn Housing Association					45					45	45					45	0	Not disputed
0226	PT18/0930/R3O	Watermore Junior School, Lower Stone Close, Frampton Cotterell	South Glos Council										0						0	0	Not disputed
0226a	P19/13690/RM	Watermore Junior School (Site B), Lower Stone Close, Frampton Cotterell	L P (Housing) Ltd				4	1					1	1					1	0	Not disputed
0227a	P20/07655/RM	Cleve Park, Thornbury (PT16/3565/O)	Miller Homes Ltd					40	40	80	50	50	260	40	40	80	50	50	260	0	Not disputed
0229	PK17/0704/F	Land At 298 Soundwell Road (Cross boundary with Bristol)	Land Venture Properties Ltd						6				6		6				6	0	Not disputed
0230	PK16/4840/F	Masters Church Park Road, Kingswood	Crossman (Wesleyan Chapel Kingswood) Ltd.				3	19					19	19					19	0	Not disputed
0234	P22/00588/RM	Land East of Cedar Lodge (P19/15643/O)	BAE Systems Plc						15	14			29		15	14			29	0	Not disputed
0238	P20/22922/RM	Romney House - Cross Boundary Application (PK18/0989/O)	One Lockleaze LLP					8					8	8					8	0	Not disputed
0242	P19/19778/F	West of Garston Farm, Marshfield	Marshfield Community Land Trust						15	3			18		15	3			18	0	Not disputed
0243	P20/00319/F	33 Quarry Road, Alveston	Bromford Homes			-2	11	2					2	2					2	0	Not disputed
0247a	P21/06953/RM	Land At Crossways, Morton Way, Thornbury	Bloor Homes (South West) Ltd						44	25			69		44	25			69	0	Not disputed
0248	P20/12395/F	Land West of Trinity Lane	Cotswold Homes Ltd					9	36	36	9		90	9	36	36	9		90	0	Not disputed
0253	P21/07653/RM	The Railway Inn, Station Road, Yate	The Railway Building Company							40			40			40			40	0	Not disputed
0254	P20/15214/F	Land North Of Lodge Road, Engine Common, Yate	Cotswold Homes					12	19				31	12	19				31	0	Not disputed

0255	P21/00546/F	Land At Hampton Close, Cadbury Heath	Merlin Housing Society					-24	22	22			20	-24	22	22			20	0	Not disputed
0257	P19/2575/F	Land North of Iron Acton Way & East of Dyers Lane	Redrow Homes Ltd					0	0	20	40	40	100	0	0	0	0	0	0	-100	This site has detailed permission (ref. P19/2575/F) for 118 dwellings. The full application was submitted by Redrow Homes, and approved in January 2022. However, whilst this site has detailed planning permission and falls under limb a), I am aware that there is a dispute between the developer and landowner regarding the purchase of the land to enable the development to progress. This site is currently the subject of consideration at a land tribunal, the outcome of which is unknown at this stage and may result in the land not being sold and the development not proceeding. This site should not be included in the Council's supply at the current time
0258	P20/13119/F	Land East Of Malmains Drive, Frenchay	Aequus Construction Ltd.					1	29				30	1	29				30	0	Not disputed
0259	P21/02958/F	Savages Wood Road/ Land at Hornbeam, Bradley Stoke	LiveWest					10	11				21	10	11				21	0	Not disputed
0260	P21/04070/RM	Land East Of North Road Yate	Newland Homes					-1	48	36			83	-1	48	36			83	0	Not disputed
0262	P21/05264/PNOR	Hillside Court Bowling Hill Chipping Sodbury	Gilwern Investments					0	0	0	0	27	27	0	0	0	0	0	0	-27	Prior approval was granted in December 2021 (ref. P21/05264/PNOR) on this site for change of use of offices to 27 dwellings. The application was made by Gilwern Investments Ltd. It is this consent (and the homes permitted) that the Council includes for in its supply. However, whilst there is permission in place and this site falls within limb a), there is clear evidence that the above homes will not be progressed. A revised detailed application (P22/06158/F) for the demolition of the existing buildings and the erection of 56 retirement apartments has now been submitted in October 2022 by McCarthy and Stone Retirement Lifestyles Ltd and remains pending determination. This application remains pending determination some 12 months after submission. The latest response from the Planning Policy Officer (April 2023) confirms that the site is part of an area safeguarded area for economic development and whilst the response does not explicitly state an objection (nor does it support) it does states that emerging policy will seek to protect, and continue to safeguard, all existing economic development sites. The latest landscape officer response (March 2023) maintains previous objections despite updated information being submitted in January 2023, and requests further amendments before the application can be determined. The latest Urban Design officer response (November 2022) states that they cannot support the scheme in its current form, objects to it, and recommends refusal. Whilst some amended plans were submitted in January 2023 there is no updated response from the Design officer, and no clarity as to whether the objection has been resolved. The latest response from the Lead Local Flood Authority (November 2022) requests additional survey data and clarifications before full comment can be made. There does not appear to have been any such information submitted to the application page to date. There has been no activity on the application webpage since April 2023. Although this site had prior approval granted for change of use to 27 flats, there is evidence that this consent will not be progressed, and that the intention is to pursue alternative proposals subject to securing relevant permissions. There are unresolved objections to the pending application and no activity on the webpage in the last 6 months. There is no clarity as to when or if the outstanding matters will be resolved and permission granted (if at all). As such, the 27 units permitted (nor indeed any other unit quantum) should not be relied on by the Council as part of its deliverable supply.
0263	PT18/6360/F	Land At Norton Farm Berwick Drive Almondsbury	Autograph Homes Ltd							10	10	10	30			10	10	10	30	0	Not disputed
0264	P21/04921/PNOR	Church House Church Road Filton South Gloucestershire BS34 7BD	Black Box Planning Ltd						34				34		34				34	0	Not disputed
0265	P20/06928/O	Pool Farm, Wotton Road, Rangeworthy	MWA Planning And Development Consultancy										0						0	0	Not disputed
0266	P21/05366/F	Land At Chief Trading Post, Barry Road, Oldland Common	Oldland Common LLP					0	0	10	20	20	50	0	0	0	0	0	0	-50	This site has hybrid consent with detailed permission for demolition and the erection of Class E buildings and supported living dwellings and outline permission only for a community healthcare building and 50 dwellings. This was submitted by Oldland Common LLP and approved in November 2022. A reserved matters application (P23/01635/RM) was submitted in May 2023 by Countryside Partnerships Ltd & Alliance Homes Ltd and remains pending determination. The response from the landscape officer response (June 2023) states that amendments are required to the scheme; the public open space officer response (June 2023) requests amendments to the scheme; the Urban Design Officer comments (July 2023) raise concerns on the details of the scheme and also state that the proposals should be reviewed by the Design Review Panel; and the Crime Prevention Officer (June 2023) states that the application is not acceptable in its current form. This site has hybrid consent for development with outline only for the 50 dwellings included in the Council's trajectory. It is a limb b site under the definition of deliverable and so requires the Council to provide clear evidence that first homes will be delivered in the five year period. Whilst a reserved matters application is pending determination for the homes, that is not sufficient clear evidence on its own - the application remains undetermined with a number of objections and requests for further information. There is not the necessary clear evidence for the site to be included in the Council's housing land supply at the current time

0269	P19/15308/F	Hollybush Farm, Acton Turville	The Badminton Estate						8	9			17		8	9			17	0	Not disputed
2070	PT18/6450/O	Land West of Park Farm, Thornbury	Barwood Developments					0	0	0	0	91	91	0	0	0	0	0	0	-91	This site obtained outline consent for up to 595 homes at appeal, with a decision issued in February 2023 – this decision is provided at Core Document 5.1. The application was submitted by Barwood Development Securities Ltd who are not a housebuilder and so the site will need to be sold to a developer before reserved matters can be progressed. There is no record of any reserved matters application pursuant to this outline nor any discharge of conditions. The site is not under the control of any housebuilder - we have no information, let alone clear evidence, as to whether there is a preferred purchaser for the site, when the site may be sold, when a reserved matters application may be prepared and submitted and what the future delivery intentions are, including intended delivery rates for the site. Indeed, the Council has assumed a delivery rate, without any information from an actual housebuilder who intends to bring forward homes on the site. Even when a reserved matters comes forward, we do not know whether it will be in an acceptable form to the Council and what comments might be raised by consultees – in my experience, large sites of this scale can take time to come forward given the need to ensure that proposals come forward in a coherent and comprehensive manner. Importantly, the site has outline permission only, it falls within limb b of the definition of a deliverable site in the NPPF and the site should only be included in the Council; s supply if clear evidence is provided to show that housing completions will begin on site in the five year period. The onus is on the local planning authority to provide that evidence. No such clear evidence has been provided by the Council and this site should be removed from the Councils supply.
2071	P21/03344/F	Land South of Badminton Road, Old	Redcliffe Homes							17	18		35			17	18		35	0	Not disputed
0133am	P21/04892/RM	North Yate - Land At Ladden Garden Village	Care UK And BDW Trading Ltd							9			9	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0199	P19/12563/F	Land At MU6 Charlton Hayes (PT16/4975/F)	McCarthy and Stone							10			10			10			10	0	Not disputed
0227	PT16/3565/O	Cleve Park, Thornbury (PT16/3565/O) - Care Home	Welbeck Strategic Land LLP										0						0	0	Not disputed
0231	PT18/4625/F	Land At Oaklands Drive Almondsbury	Cedar Care Developments						18				18		18				18	0	Not disputed
0239	P20/05310/F	Former GB Neuro Building	Advantage Care Nursing Home Ltd							8			8			8			8	0	Not disputed
0246	P19/19773/F	64 Bed Nursing Home, Gravel Hill Road Yate	Kestrel Care Village Limited						8				8		8				8	0	Not disputed
0251	P20/21983/F	University Of West Of England - Phase 1 (18 studio & 882 cluster)	University of West of England				-101		371				371		371				371	0	Not disputed
0252	P20/10080/F	Block B Cheswick Village (36 studio & 3 cluster)	Christian Grant Properties Ltd					37					37	37					37	0	Not disputed
0133c		Land at North Yate - Residual of Allocation - Barratt											0	0	0	0	0	0	0	0	Not disputed
0135f	P20/17979/O	Waverley Cottage, Old Gloucester Road, Hambrook, Harry Stoke	Waverley Development South West Ltd										0						0	0	Not disputed

0021c	PT17/5847/RM	Land at Harry Stoke, Stoke Gifford - Crest	Crest Nicholson								25	50	75				0	0	0	-75	Outline permission (PT06/1001/O) for development of up to 1,200 homes (along with a nursery and school) was allowed at appeal in December 2007. The wider site is under construction and the Council include delivery within the five year period from the dwellings being constructed by Crest Nicholson, Sovereign & Linden Homes consented under application ref. PT17/5810/RM. I do not seek to dispute delivery from this element of this site. However, the Council include delivery of 75 homes from phases 6 and 7 of this site for which there is no detailed consent yet in place. A reserved matters application (PT17/5847/RM) was submitted by Crest Nicholson in December 2017, seeking detailed consent for 263 homes, this remains pending determination, nearly 6 years later. The latest response from the Housing Enabling team (July 2023) requests amendments to various detailed layout elements of the scheme before reserved matters consent is issued, the latest response from the Landscape officer (July 2023) also requests various amendments to the layout and landscaping, the Drainage officer response (July 2023) requests additional details are provided, the Public Open Space officer response (July 2023) requests various detailed amendments to the scheme and the latest Urban Design response (June 2023) is an objection, requesting various amendments to the layout and housetypes. This site is a limb b site under the definition of deliverable and so requires the Council to provide clear evidence that first homes will be delivered in the five year period. A reserved matters application is pending determination for 263 homes, however this has been pending since December 2017 and there remain unresolved objections. There is no clear evidence that homes will be delivered on this site within five years. It is a site that has been found not to be deliverable in a recent appeal , with no material change in the site status or delivery evidence. There is no clear evidence that homes will be delivered on this site within five years
0036ca	P19/1275/F	Land At Lyde Green Farm	Edward Ware Lyde Green Ltd,T.Richardson,CHuntington-Whiteley										0						0	0	Not disputed
0133ar	P22/04365/RM	Land at North Yate - PL2, 4a, 4b, 5b	Barratt Homes							48	58	41	147	0	0	0	0	0	0		This site is part of the North Yate (0133) site, considered in detail in my Proof of Evidence on Housing Delivery and Five Year supply. Please see summary commentary against site 0133 above.
0134ac	P22/04774/RM	Berwick Green Land - Phase 2	Bellway										0						0	0	Not disputed
0134cb	P22/05223/RM	Residential Phase 2 Parcel E1 East Of Fairlawn Avenue Former Filton Airfield	YTL							20	125	125	270			20	125	125	270	0	Not disputed
0135bb	P22/07094/RM	Land North Of The Railway, East Of Harry Stoke	Wain Homes									50	50					0	0	-50	This site has hybrid consent (PT16/4928/O) for 327 dwellings, a primary school, nursery and other associated development. This was submitted by Crest Nicholson and approved in October 2019. The application included 150 dwellings in full and 177 in outline. However, a revised detailed application (P20/03681/F) also for 150 homes was submitted by Wain Homes in February 2020 on the same part of the site that obtained detailed consent via the previous hybrid. This was approved in June 2021, is included separately in the Council's supply (ref. 0135ba), and I do not dispute delivery from this element of the site. Pursuant to the hybrid consent a reserved matters application (P22/07094/RM) for 162 homes was submitted by Wain Homes and validated in January 2023. This remains pending determination. Various comments, objections, and requests for amendments were made following the submission of the application, and amended plans were provided in August 2023 seeking to address these comments. However, the latest response from the Urban Design officer (August 2023) maintains the previous objection and requests that further amendments are progressed. The latest response from National Highways (August 2023) contains a holding objection requesting that permission not be granted for 3 months as further information is required which is necessary to determine the drainage and landscaping impact on the continued safe operation of the strategic road network and the long-term integrity of its assets. This is the third consecutive holding response National Highways has issued for this scheme. The latest response from the Drainage Team (August 2023) requests additional clarification and information from the applicant. The Highways Team comments (January 2023) request amendments and state that the proposals are not in accordance with the terms of the s106 agreement, it is not yet clear whether the amended plan submission suitably addresses these comments as no updated response has yet been provided. Similarly, the latest landscape officer response (January 2023) states that the scheme 'falls substantially short of the high quality placemaking envisaged in the outline application' and recommends refusal. There is no updated response to date and it is not clear whether the amendments submitted have addressed these issued. The latest comments from the public open space officer (August 2023) also state that the scheme remains unacceptable. This site has outline consent for development. It is a limb b site under the definition of deliverable and so requires the Council to provide clear evidence that first homes will be delivered in the five year period. A reserved matters application is pending determination for 162 homes, but this is not yet determined and there remain objections and requests for further information. There is no clear evidence that homes will be delivered on this site within five years.

0135e	P22/02357/F	Land At Hambrook Lane Stoke Gifford	Taylor Wimpey								12	48	60				0	0	0	-60	A full application (P22/02357/F) for 92 dwellings was submitted on this site in April 2022 and remains pending determination. The applicant is Taylor Wimpey. At present there is no consent in place for this development. The site was previously promoted as two separate parcels subject to applications for residential development; P19/4303/O for 54 homes which was withdrawn in December 2021, and PT17/2490/F for 31 homes which was refused in December 2021 . There are unresolved objections on the current pending application, including from the Ecology officer (June 2023) who is not content with the approach to Biodiversity Net Gain and is seeking layout amendments to address this, the latest response from the Public Open Space officer (May 2023) requests clarification and amendments on several elements of the scheme, the latest response from the Highways Team (April 2023) seeks various amendments to the application, the Urban Design comments (April 2023) maintain an objection (despite amended plans being submitted in September 2022) and recommend refusal. A further set of amended plans were submitted in June 2023, however there are as yet no further consultation comments on the webpage and no indication that the issues and objections raised have now been resolved. This site is a limb b site under the definition of deliverable. A full application (for 92 homes) is pending determination on this site, however the application has not yet been determined and there is no consent in place at the time of writing, some 18 months after the five year supply base date. There is no clear evidence that homes will be delivered on this site in the five yar period and the site should not be included in the Council's supply at the current time.
0135g	P19/7772/F	Land East Of Players Close, Hambrook	Freemantle Developments Ltd							9			9			9			9	0	Not disputed
		Small Sites Core Strategy Projected	Core Strategy					210	210	210	210	210	1050	210	210	210	210	210	1050	0	
							Total	**1760**	**2049**	**1508**	**1120**	**1236**	**7673**	**1580**	**1876**	**1195**	**834**	**877**	**6362**	**-1311**	
				1,573	**1,518**	**1,650**	**1,657**	**1,760**	**2,049**	**1,508**	**1,120**	**1,236**	**7,673**						**6,362**	**-1,311**	

Appendix 2: JRHLS2 – Site Specific Deliverability Evidence

Contents;

- *South of Douglas Road, Kingswood (ref. 0035)*
- *Land at Cribbs Causeway (Berwick Green) (ref. 0134aa)*
- *Parcels 14-19 Land at Cribbs Causeway (Berwick Green / Haw Wood) (ref. 0134ab)*
- *Hillside Court Bowling Hill Chipping Sodbury (ref. 0262)*
- *Land at Chief Trading Post, Barry Road, Oldland Common (ref. 0266)*
- *Land at Harry Stoke, Stoke Gifford – Crest (ref. 0021c)*
- *Land North of The Railway, East of Harry Stoke (ref. 0135bb)*
- *Land at Hambrook Lane Stoke Gifford (ref. 0135e)*

South of Douglas Road, Kingswood (ref. 0035)

South of Douglas Road, Kingswood (ref. 0035)

Photos from site visit 15.9.23

Land at Cribbs Causeway (Berwick Green) (ref. 0134aa)

Land at Cribbs Causeway (Berwick Green) (ref. 0134aa)

Photos from site visit 15.9.23


Bellway
Welcome to Berwick Green
Bellway


Bellway
Welcome to
Berwick Green
Sales Centre
Visitor Parking

Parcels 14-19 Land at Cribbs Causeway (Berwick Green / Haw Wood) (ref. 0134ab)

Parcels 14-19 Land at Cribbs Causeway (Berwick Green / Haw Wood) (ref. 0134ab)

Photos from site visit 15.9.23


Sales Information Centre
WELCOME


Sales Information Centre

Hillside Court Bowling Hill Chipping Sodbury (ref. 0262)

- Response from the Planning Policy Officer (April 2023)
- Landscape officer response (March 2023)
- Urban Design officer response (November 2022)
- Lead Local Flood Authority (November 2022)

South Gloucestershire Council
South Gloucestershire Council, PO Box 299, South Gloucestershire, BS15 0DR

Memorandum to:	James Reynolds (Development Management Team)
From:	Strategic Planning Policy & Specialist Advice Team
Date:	20th April 2023
Application Reference:	**P22/06158/F**
Location:	**Hillside Court Bowling Hill Chipping Sodbury South Gloucestershire BS37 6JX**
Proposal:	**Demolition of existing building. Erection of 56 no. retirement apartments (for over 60's) with communal lounge, car parking, landscaping and associated works.**

Development Plan

Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that "where in making any determination under the planning Acts, regard is to be had to the development plan, the determination shall be made in accordance with the plan unless material considerations indicate otherwise."

The development plan for South Gloucestershire comprises the following documents:
- Local Plan: Core Strategy (2013)
- Local Plan: Policies, Sites and Places (PSP) Plan (2017)
- West of England Joint Waste Core Strategy (2011)

The key adopted policies of relevance to the determination of this application are considered to be:
- Core Strategy (2013)
  - CS11 Distribution of Economic Development Land
  - CS12 Safeguarded Areas for Economic Development
  - CS17 Housing Diversity
  - CS18 Affordable Housing
  - CS30 Yate and Chipping Sodbury

- PSP Plan (2017)
  - PSP21 Environmental Pollution and Impacts

Key Material Considerations

Housing Land Supply

A policy table is appended which clarifies the current status of Core Strategy policy CS15, namely that whilst this can be considered out-of-date, the Council's assessment of housing land supply is now against the local housing need (LHN) rather than the Core Strategy requirement as directed by para 74 of the NPPF (July 2021).

The Council has recently been involved in two planning appeals for speculative housing development at Land West of Park Farm (ref APP/P0119/W/21/3288019) and Land South of Badminton Road, Old Sodbury (ref APP/P0119/W/22/3303905), both of which challenged the Council's 5 year housing land supply position, and spatial development strategy identified within Core Strategy policy CS5. Following receipt of both decisions the Council's 5 year housing land supply has been reviewed and published in the 2022 Annual Monitoring Report, which was deferred from December 2022 to take account of these appeal decisions and issued in March 2023.

As confirmed in the 2022 AMR Authority Monitoring Report 2022 (southglos.gov.uk) the Council can currently demonstrate a 5-year housing land supply against its LHN, and therefore the presumption in favour of sustainable development (NPPF para 11d) does not apply in that respect. Regarding the spatial development strategy, the appended policy table clarifies on the status of policy CS5, and other key development plan policies relevant to the determination of this application. Notwithstanding this, the case officer is advised to give significant weight to the benefits of delivering additional housing as part the overall planning balance.

Emerging Planning Policy (new Local Plan)

The Council is preparing a new Local Plan and has undertaken two phases of early engagement (Regulation 18). It is at an early stage in its preparation, and therefore carries little and limited weight (in line with NPPF para 48).

The Phase 2 consultation included a number of sites which could potentially be developed for residential or mixed uses, based on Call for Sites submissions to the Council. No Call for Site submission was made for the application site and the Phase 2 consultation proposed that Bowling Hill, including the application site, continues to be a Safeguarded Area for Economic Development in the new Local Plan (Site 30: Bowling Hill, Chipping Sodbury).
Urban lifestyles – locations and sites | BETA - South Gloucestershire Council (southglos.gov.uk)

Consultation and the development of the next phase of the local plan is however ongoing and no decision has been made on policy criteria or the final portfolio of employment sites which will be set out in the Local Plan employment land strategy.

Employment Evidence Base

The West of England Combined Authority (WECA), in collaboration with the local authorities of Bristol, BANES, South Gloucestershire and North Somerset, commissioned an Employment Land and Spatial Needs Assessment Study (ELSNA) (June 2021) as part of the evidence base for strategic and non-strategic policies in the West of England area.

Sitting alongside the ELSNA the South Gloucestershire Employment Land Review (ELR) (January 2022) assessed the demand and supply of employment land within South Gloucestershire. Together these two studies form part of the evidence base for the new Local Plan to inform the development and underpin the employment aspects of the plan's spatial strategy and employment land policy framework in South Gloucestershire.
These two studies can be given moderate weight as evidence as they have been independently prepared and published. They found that all existing safeguarded land would be required to meet identified need, with the following conclusions of the ELSNA particularly relevant:

- Projected population increase across the West of England generating demand for employment as well as housing associated with this growth;

- Anticipated office-market demand returning strongly post-COVID and local employment land policy having an important role in enabling recovery of key business sectors;
- Constrained supply of office space, with stock levels reduced significantly following introduction of permitted development rights;
- Overall shortfall of office space provision across the West of England, and a shortfall in South Gloucestershire;
- The West of England is a strongly established hub for advanced manufacturing and other forms of specialist industrial activity; and
- High levels of demand coupled with restricted levels of industrial land supply in many parts of the region is a risk to the future growth of the advanced manufacturing sector.

The following conclusions from the ELR are also particularly relevant:

- Low future office supply within South Gloucestershire as a whole, with all available land for future office development located within the North Fringe;
- An undersupply of future office space within Yate and surrounding area, the sub-area where the application site is located, as well as an undersupply within neighbouring rural and Thornbury sub areas;
- Yate and surrounding area has historically displayed strong demand for industrial uses, and this is expected to be maintained for the foreseeable future, alongside potential diversification of employment provision; and
- Recommendation to retain and continue to safeguard Bowling Hill for employment use, providing much-needed employment premises in the centre of a residential area.

An overall conclusion can therefore be made that the safeguarded area for economic development at Bowling Hill, which the application site forms part of, has both a local and strategic role in meeting future employment demand within South Gloucestershire and the West of England. Moreover, this position and the key policy recommendation findings as set out above from the two independently prepared technical studies were not strongly challenged or alternative evidence to the contrary submitted as part of the new Local Plan consultation. The above conclusions also support the imperative within the adopted Core Strategy to protect, and continue to safeguard, all existing economic development sites.

Comments on the Proposal

Employment Safeguarding

Core Strategy policy CS12 represents the current adopted strategic policy response to provision of employment land. The application site is part of a larger area identified within Table 1 (Site 30), as safeguarded for economic development. Supporting paragraph 9.10 states priority on these safeguarded areas will be given to B Use Classes (now including Class E(g) in place of Class B1) and main town centre uses which have met the sequential test. Policy CS12 additionally requires proposals for other economic development uses or for non-employment uses, to demonstrate compliance with criterion 1-4 of the policy. These require proposals to demonstrate that they would not prejudice B Use Classes in the wider safeguarded employment area, would contribute to a more sustainable pattern of development, improve the number and range of jobs available in the local area, and that there is no suitable alternative provision for the proposal. It does not appear that the supporting information submitted seeks to address these four criteria.

Policy CS30(10) requires new development in this area to “diversify the range of jobs available and make more efficient use of existing and planned new employment land”. The intention of this part of the policy is to increase and widen the range of jobs within new and existing safeguarded employment land. This would not be achieved through loss of safeguarded employment land through the proposed change to a non-economic use.

There is an imbalance in Yate and Chipping Sodbury between jobs and resident workers causing out commuting. Comments from the Economic Development team reiterate those made during pre-application discussions, that in this area there are only 0.7 ‘jobs’ for every ‘resident worker’. Through policies CS12 and CS30, the Core Strategy therefore seeks to redress this balance by managing change on economic development sites to maximise job opportunities within the area.

Accordingly, weight can be given to the fact that a demonstrable imbalance between homes and jobs continues to exist in this locality, which formed the basis for retaining the application site as a safeguarded employment site in the adopted Core Strategy. The applicant has not justified a change in circumstances in Yate and Chipping Sodbury since the Core Strategy was adopted to warrant this not continuing to be the case.

The proposal, by introducing residential use within one part of the safeguarded employment area at Bowling Hill, would also have the potential to impact viability of the employment area (7.8ha) as a whole. In addition to criterion 1 of Core Strategy Policy CS12, Policies, Sites and Places Policy PSP21 requires that new development sensitive to noise or other pollution should not threaten this through imposition of undue operational constraints.

Supporting documentation for the proposal narrowly focuses on the application site alone with no evidence submitted to consider its resulting impact upon the wider safeguarded employment area. This includes the adjoining office building, Riverside Court to the west, as well as offices, industrial, storage and distribution uses to the north. Potential impacts would not only be upon operational requirements of the current uses, such as their associated vehicle movements for staff (including any out of hours access) and servicing, but also the ability for changes in use of the land to other employment generating uses. Introducing sensitive receptors in close proximity would likely threaten the potential offer and nature of businesses within the safeguarded area as a whole, and correspondingly its continuing viability for providing employment.

The appended policy table sets out that the Council’s locational and employment land safeguarding strategy in policies CS11 and CS12, as well as policies CS30 and PSP21, have a high degree of consistency to the NPPF and so are not out-of-date. Therefore, full weight can continue to be attached to these policies as part of any overall planning balance.

In so doing, the case officer is also advised to seek further comments from the Council’s Economic Development Team on the current market attractiveness of the application site for office accommodation, as well as for alternative employment uses, in the Yate/ Sodbury area, taking into account it’s access to a locally available workforce. The feedback from the Council’s Economic Development Team will be a material consideration of some weight in the overall planning balance as it will provide an insight into the market’s ongoing interest in this economic asset.

Economic and Marketing Evidence

An Interim Employment Land Statement and appended Marketing Report were submitted with the application to support the loss of employment land. As referenced above a non-economic development use on safeguarded areas for economic development, needs to demonstrate compliance with criterion 1-4 within policy CS12. Marketing evidence for viability of the current use cannot overcome a conflict with these.

The following comments are however offered from a planning policy perspective on accuracy and relevance of the information presented.

The reference to oversupply of 133.17ha of employment land in South Gloucestershire is taken out of context. The ELSNA and the ELR evidence that the majority of this land is located at Severnside, an area predominantly suitable for large-scale regional/ national distribution activity. Certain businesses would not be able to relocate there due to their operational and workforce requirements, as well as the area’s limited provision of public transport and amenities. Severnside is therefore unlikely to reduce pressures on employment land supply in the rest of South Gloucestershire. Furthermore, the available land at Severnside is diminishing rapidly at present due to high rates of take-up by relatively large occupiers. Should these rates continue, it will be developed out over a reasonably short period of time.

The comments from the Council’s Economic Development Team should also be sought on this point, as the Local Plan’s Team understanding is that local property and commercial agents also consider that the employment land availability is extremely limited in Yate and is not compensated for, in a local context, by available land at Severnside. Nor are companies willing to relocate from towns such as Yate/ Sodbury to Severnside where this could give rise to difficulties in recruiting sufficiently experienced workforce.

Moreover, both the 88ha existing safeguarded areas, sites 29-36 as listed in table 1 under policy CS12 and 9ha for North Yate neighbourhood were taken account of within the ELSNA and ELR as they formed part of the Core Strategy allocation. The allocation at North Yate neighbourhood therefore does not replace the need for land within the existing safeguarded areas.

Replacement Demand is explained and justified within the ELSNA as the level of stock that will need replacement and/or upgrade over the ELSNA period on the basis of the age and energy performance of existing stock. It does not infer that due to age or energy performance the existing stock, and/ or land it lies within, is no longer needed to be safeguarded for economic development. A clear recommendation of the ELSNA is for protection of all existing employment stock.

The proposed use is referred to as employment generating, however this would provide only a small number of jobs (eg. the House Manager) during operation. Comparative to economic development uses the area is safeguarded for, this would be a significant reduction in job generating activities.

The application site is not safeguarded simply for office use, but for economic development as a whole. This comprises a wide range of employment generating uses. The Marketing Report advises a feasibility study being produced only for continuing office use, conversion to residential, and use for extra care/ retirement housing. It cannot therefore be concluded that the proposal would not have a harmful economic development impact through loss of land safeguarded for that purpose.

Older Persons Housing

Core Strategy policy CS17 seeks a wide variety of housing types and sizes to accommodate different households, including older persons and those with low incomes. The application proposes 56no. retirement apartments, providing for older persons, therefore would add choice to the local housing market, and correspondingly benefit the local area.

From review of the submitted information the facilities provided would appear similar to traditional retirement housing (labelling as Retirement Living does not change this). It would not therefore comprise Extra Care Housing as defined by Core Strategy policy CS20.

Core Strategy policy CS18, supported by the Affordable Housing and Extra Care Housing SPD (April 2021), requires provision of 35% on-site affordable housing to meet housing need in South Gloucestershire on all new housing developments of 10 or more dwellings. In exceptional circumstances where it can be robustly justified, off-site provision or a broadly equivalent financial contribution, can alternatively be sought to achieve the 35% requirement. It is noted from the supporting information that no on-site provision, off-site provision, nor affordable housing contribution, is proposed. I defer to comments from the Housing Enabling Team (dated 1 November 2022) for further detail on this matter, however advise that since the submitted floor plans show all apartments would be self-contained they would each be counted as an individual dwellinghouse (Use Class C3) within the Council's Annual Monitoring Report. As such the 35% affordable housing requirement would apply to this development, in a similar manner to how it would apply to Extra Care Housing Schemes defined as Use Class C3 (set out in sections 9.7 and 9.8 of the SPD). Should a viability assessment become necessary, section 7.2 of the SPD guides the approach to this.

The appended policy table sets out that policies CS17, CS18 and CS20 have a high degree of consistency with the NPPF, therefore are not out-of-date, and full weight can continue to be attached to them as part of any overall planning balance.

Summary

As set out in planning law, and enshrined in national policy, applications for planning permission should be determined in accordance with the development plan, unless material considerations indicate otherwise. In policy terms, significant weight can be applied to the policies of the extant development plan, which comprises the Core Strategy (2013) and the Policies, Sites and Places (PSP) Plan (2017).

There is clear harm to the employment land strategy as set out in Core Strategy policies CS11, CS12 and CS30 through the permanent loss of safeguarded employment land in a sustainable location and potential provision of local jobs through re-use, or efficient redevelopment of the site, for its current, or another economic development, use. The ELSNA and ELR, recent studies forming part of the evidence base for the new Local Plan, support the imperative to protect, and continue to safeguard, these existing areas for economic development. Subject to the case officer being satisfied that the application site continues to be attractive for use as an office or for other employment generating uses to operate from the Yate/ Sodbury area, and the connect this this offers to the local workforce, a planning case is demonstrated to retain the site for economic development.

The proposal would also have the potential to harm continued viability of the wider safeguarded employment area through introducing new development sensitive to noise or other pollution, contrary to policy PSP21.

There are benefits arising from this proposal in terms of meeting housing need, adding choice to the local housing market through provision for older persons as sought by Core strategy policy CS17, and from re-use of brownfield land. However no affordable housing is proposed on site, off-site, nor a financial contribution as required by Core Strategy policy CS18.

These issues should be given appropriate weight in determining the case officer's recommendation.

South Gloucestershire Council

PO Box 281, South Gloucestershire BS35 9BP

Memorandum to: James Reynolds
Copy to:
From: Jane Jarvis
Date: 20 March 2023
Our Reference: **P22/06158/F**
Telephone: 01454 867803/ext. 867992
Facsimile: 01454 863440
Email: Jane.Jarvis@southglos.gov.uk

RE: HILSIDE COURT, BOWLING HILL, CHIPPING SODBURY BS37 6JX

1.0 Description of Proposal

1.1 This is a full application for the demolition of existing building. Erection of 56 no. retirement apartments (for over 60's) with communal lounge, car parking, landscaping, and associated works.

1.2 Further comment has been given in blue text below in respect of revised proposals/information submitted January 2023.

1.3 The triangular shaped site extends to some 0.68ha and comprises the recently closed 2 storey 'Mercer' office building and associated car parking areas, The site has a wide frontage along the south side of B4060 Bowling Hill, which forms a continuation of the High Street that lies further east. Its NE corner lies adjacent to the western edge of the Chipping Sodbury Conservation Area. Rock House (The Heathers) Nursing Home, a Grade II listed building, lies to the NE of the site near the junction of Bowling Hill with Quarry Road and the High Street. Public footpath LSO/15/10 joins Bowling Hill in the vicinity of this road junction. A sub-station lies within the NE corner of the site, with a second adjoining the SW corner of the red line boundary.

1.4 The site slopes from NE to SW with a fall in level of some 2.5m. A dense belt of trees extends around the E and S site boundaries, with the southern section forming part of the vegetated corridor of the River Frome, which extends further west of the site. The eastern tree belt is covered by an Area TPO and provides screening between the site and housing off Chestnut Drive, with taller tree species including Lime, Sycamore, Horse Chestnut, and Ash. There are also a few trees along the frontage of the site. Collectively this tree cover contributes to the 'green' character of the local townscape.

1.5 The new 3 storey building will have a contemporary rectangular form, and a similar 'L shaped' footprint and location within the site as the existing building, with a car park area retained along the road frontage and its eastern end. An amenity garden space is proposed within the central site area adjacent to the building. The E and S boundary tree belts retained.

1.6 The site has prior notification consent for conversion of the office building to 27 flats (Ref. P21/05264/PNOR).

1.7 Consultation advice for PRE22/0383 advised that the following would be required to support a planning application:

- Simple LVA to GLVIA3 including wireframe images to show where the scheme will be visible in views, particularly any increased visibility from the Conservation Area.
- AIA and tree protection plan, with calculation of number of replacement trees required for any loss to development.
- Landscape design strategy, supported by detailed hard and soft landscape plans.
- LEMP.

2.0 Policy Context and Guidance

2.1 The following policies apply to the site:

- **NPPF July 2021**
  Section 12 (para. 131): Important contribution of trees
  Section 15: Conserving and enhancing the natural environment
- **SG Core Strategy (Adopted December 2013)**
  CS1: High Quality Design
  CS2: Green Infrastructure
  CS9: Managing the Environment and Heritage
- **Policies Sites & Places Plan (Adopted November 2017)**
  PSP1: Local Distinctiveness
  PSP2: Landscape
  PSP3: Trees & Woodland
  PSP7: Development in the Green Belt
  PSP8: Residential Amenity
  PSP17: Heritage Assets and the Historic Environment
- **South Gloucestershire Landscape Character Assessment SPD (Revised and Proposed for Adoption November 2014)**
  Site lies within LCA 8: Yate Vale
- **Green Infrastructure: Guidance for New Development SPD (adopted April 2021)**
- **Trees and Development Sites: Guidance for New Development SPD (adopted April 2021)**

3.0 Analysis of Proposed Scheme and Information Submitted

3.1 Landscape Issues:

- AIA and Tree Protection Plan identify that TPO Category U Sycamore 3 and Category C Horse Chestnut 49 will be removed, together with Category C Cherry (22) within the centre of the site. A calculation of number of replacement trees required for any loss to development is required; defer to further comment from the Tree Officer.
- Boundary treatments are shown on Plan -908 Rev. B, to which there are the following comments:
  - Potential open access to the eastern and southern tree planting areas will be restricted by fencing, unless residents will be allowed to use the maintenance access gate; the only accessible amenity space for residents seems to be the comparatively small garden adjacent to the building given the unbuilt western edge of the site is designated a service access; therefore, recommend this issue is clarified and quantum of usable amenity space is reviewed further. No further clarification provided.
  - a set of 3m wide gates needs to be provided off the car park area to accommodate equipment/small vehicular maintenance access to site boundary trees so that these can be appropriately managed (e.g. any arising deadwood/storm damaged branches can be readily treated/removed).

Unamended 2m wide access gate shown at south end of car park on Rev. C; still consider that a 3m wide maintenance access width is required even if provided as a double gate. Also, direct access into the existing tree zone is blocked by new Woodland Mix planting – see GA Plan - 901 Rev. F for example, and this needs to be amended.
- Note retaining walls are proposed between the western service access and residence access path.
- Existing frontage panel railings and brick walling is very utilitarian and detract from the appearance of the site, and there is the opportunity to upgrade the appearance of this boundary by replacing the railings as advised by the Urban Design Officer.

- Landscape General Arrangement Plan -901 Rev. D Plan is helpfully annotated with information notes, and layout of amenity garden space contains a good range of integrated facilities. However, in addition to boundary comments above, the following needs further consideration:
  - given that the new building will be one storey taller in height than the existing site building a strong, green frontage treatment is required to help soften its appearance in views from the CA etc. (see comments below). Therefore, the new trees should be underplanted with a continuous hedge (rather than infill planting), with ground cover species proposed at back of the parking bays. The note on Rev. F. needs updating to reflect the provision of a continuous new hornbeam hedge as shown on the Planting Plan.
  - tree pit details will be required for each type of tree planting location to ensure sufficient volume of topsoil/growing medium is accommodated.
  - Woodland mix will need to be carefully interplanted between existing tree roots to precent damage.
  - Grass-crete to western service access is not desirable (as usually ends up with just soil or weeds); request grass reinforcement matting proposed instead; still consider that Grasscrete should be replaced.
  - if tarmacadam is to be used for the pedestrian paths, this needs to have a coloured finish; blacktop is not acceptable as it is considered this will visually detract from the residential/amenity environment. Buff tarmacadam surfacing is specified in the legend on Rev. F but its location along resident pathways is not shown on the plan and needs to be.
  - Submitted built garden features and site furniture details are acceptable.
- Planting Plan – 915 Rev. B contains a plant schedule but only assigns tree species across the site. Request review of proposed Oaks to site frontage given available root space between frontage wall and attenuation tank beneath car park, as doubtful that they will establish well; recommend that a tall growing street tree species is substituted. Hornbeam substituted for the Oak on Rev. C, which is acceptable. Also, question if there is room for the Beech to reach maturity to the SW of the building, and its potential impact on building foundations (e.g. reference NBHC guidance). 2No. of the 3No. Beech substituted on Rev. C by Whitebeam and Field Maple, which is acceptable. Otherwise, proposed species are generally acceptable, but will also need to include for frontage hedge, and request confirmation that no poisonous species have been included in the list. Hornbeam hedge to road frontage boundary is acceptable, as proposed on Rev. C. A detail planting plan will need to be agreed as a condition of any planning permission.
- Drainage Layout plan -550 Rev. A02 needs a consistency check against the planting strategy as several proposed SW sewer locations lies very close to the available tree planting locations (e.g. within the central garden space and by the SW sub-station). Note attenuation tanks are proposed within the frontage car park area and beneath the central garden space.
- Despite pre-application advice, no landscape and ecology management plan has been provided; at the very least a framework document is required to support the application, and to inform a detailed LEMP to be agreed as a condition of any

planning permission. LEMP (November 2022) submitted but only covers the first 10 years rather than 20 years highlighted in condition advisory below. Objectives as set out in Para. 1.4.2 are acceptable. Watering is covered in Paras. 1.5.12-14. Existing tree works are covered briefly in Para. 2.1.3 and reference a qualified arboriculturist. All new soft and hard landscape treatments are generally covered, but more detail will be required to satisfy a condition of planning, including tables setting out the annual/monthly scope and frequency of each maintenance operation during the initial contractor period, establishment period (1-5 years) and longer term. Longer terms maintenance items will also need to address dilapidation and plant aesthetic lifespan issues.

- Defer to comment from the Urban Design Officer on the scale, form, massing, and appearance of the building.

3.2 Visual Issues:

- Despite pre-application advice that a simple LVA would be required to support the application (see Section 1 above), none has been provided. Note there is intervisibility between the listed nursing home and the site, and co-visibility of the two buildings when viewed from the western end of the High Street; defer to the Conservation Officer's opinion in terms of the potential impact on the CA and its character and heritage assets. Note Conservation Officer considers information in Heritage Statement is acceptable.

3.3 The above analysis has been undertaken as a desktop study, and with reference to published guidance and internet imagery such as Google Earth and Street View.

4.0 Conclusion/Recommendation

4.1 Further information as outlined above is required in order to fully assess the application, namely:

- Assessment of the visibility and impact of the proposals on the CA and its heritage assets, as advised by the Conservation Officer. Note Conservation Officer has requested no further information.
- Revised landscape design and mitigation strategy (and supporting set of landscape plans) to address issues raised in Section 3 above, including quantum of amenity space, maintenance access, frontage design, and selected tree species. Recommend that revised width of maintenance access, amendment of several hard landscape finishes, and upgrade of the frontage railings are agreed in principle prior to determination of the application.
- Consistency check between drainage layout and tree planting locations; no updated information provided and will need to be reviewed at condition stage.
- Framework LEMP. Framework LEMP (November 2022) submitted and is satisfactory.

4.2 Depending upon the extent of the information agreed prior to determination and permission being granted, the following will be required to be submitted as a condition of planning:

- AIA and tree protection plan – compliance condition, as advised by Tree Officer.
- Detailed planting plans specifying the location, species, stock size, planting centres and quantities of all proposed tree and structure planting (to be implemented in the first season following completion of construction works); supported by an implementation specification with tree pit details.
- A landscape and ecological management plan covering the enabling works operations/period and a subsequent 20 Year management period, identifying existing and proposed landscape and ecology related site assets, associated management objectives, schedules of annual maintenance works together with longer term

management operations. Measures to minimise use of herbicides/pesticides with alternative means of control should be adopted as practical, together with on-site water harvesting/storage for maintenance purposes.

- Updated details of all proposed boundary and hard landscape surface treatments, including proposed levels.
- Details of built garden features and site furniture – compliance condition with submitted details.
- Updated drainage layout, designed to avoid conflicts with existing and new tree planting.

Regards

Jane Jarvis CMLI
Landscape Architect,
Strategic Planning Policy & Specialist Advice Team

	South Gloucestershire Council
Name	Matt Haslam (BA (Hons), MA, MRTPI)
Title	Senior Planning Officer (Urban Design)
Email	matt.haslam@southglos.gov.uk
Telephone	01454 863545
Application No.	P22/06158/F
Description	Demolition of existing building. Erection of 56 no. retirement apartments (for over 60's) with communal lounge, car parking, landscaping and associated works
Address	Hillside Court Bowling Hill Chipping Sodbury South Gloucestershire BS37 6JX
Date	14/11/22
Case Officer	James Reynolds

The following are urban design comments on the above application.

Character and context
The existing building on-site is a 2-storey, fairly plain-looking office building, formed into an L shape. Significant mature trees form the SE and southern boundaries, with residential properties backing onto the SE boundary. The site location is significant, on the western approach to the centre of Chipping Sodbury, and very close to the start of the High Street.

The older parts of Chipping Sodbury are characterised by the use of natural sone and shades of off-white render. Red brick is used but only as a detailing material, perhaps around windows openings. Boundary walls are predominantly finished in natural stone. The group of buildings to the NW of the site across the B4060 (with signage for A. Nichols (Cow Mills) Ltd.) also uses a combination of natural stone and render. The Heathers Nursing Home to the NE of the site has an impressive natural stone boundary wall, rendered facades, but with an interesting sone façade on the southern side.

The more modern and poorer-quality surrounding housing and industrial sheds are finished in either metal cladding or a lighter, yellowish tone brick. The existing building on -site also uses a yellowish brick, combined with concrete panels.

It's clear that any new development in this location must reference the best locally distinctive built forms and materials, due to the historic significance of the area and the visual prominence of the site, and the fact that this scheme will be read as part of the historic core. A modern, well-finished scheme would not dilute the significance of the adjacent conservation area even if locally distinctive and high-quality materials were to be used (in fact, it would enhance the area).

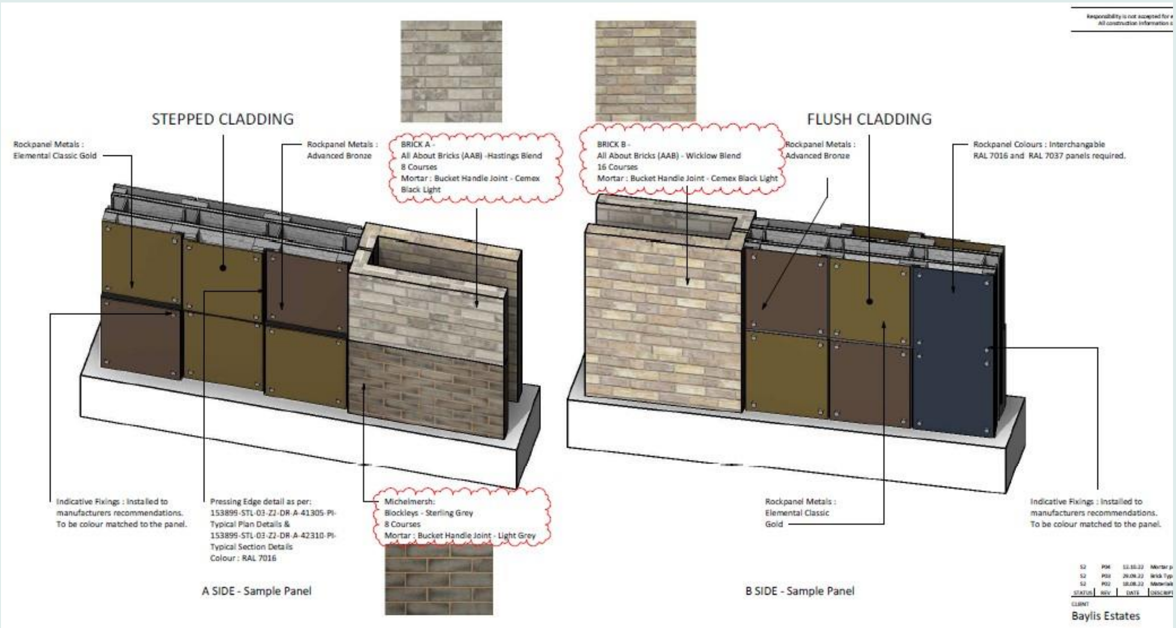
The layout and set back from the main road is acceptable. The height and general massing are acceptable, but there are more detailed comments mainly focussing on materials and roof form, which may alter the massing somewhat. The position of the parking along the northern boundary and NE corner is also acceptable, subject to appropriate landscaping and boundary treatments.

Appearance & materials
The first impression is that this is a modern scheme, but that four principal facing materials may be too much and creates a somewhat busy and messy appearance. There are some unifying elements, such as to window surrounds. The main influences are clearly taken from the immediate vicinity where the

lowest-quality built forms are found. The references are also highly selective, towards the cheaper and lower quality finishes.

In terms of suggested amendments, the use of a yellowish and red brick is a real issue and it's use will not enhance the quality of the area. Two alternatives are to use a much higher quality natural stone for the ground level facades, possibly with a stone-coloured brick for upper levels.

I recently met with Gareth Mason, also from Stride Treglown Architects, and Thomas Smith (SGC) to view sample panels for the site at Fox Den Road. I have included various photos from that visit below. In particular, there were two potential stone-reference bricks that could be suitable for use in this scheme.



Above: The half-height panel top section is the All About Bricks (AAB) – Hastings Blend. The full height sample panel is the All About Bricks (AAB) – Wicklow Blend.

The metal cladding finish shown in the CGIs is interesting and might be the only immediately local material reference which could be appropriate. If a high-quality metal was used, with a warmer tone (certainly not grey), that could create an interesting and modern contrast to the natural stone and brick.

Page 37-39 of the DAS provides a useful character study to show how pitched gable features are a strong local feature, but then this isn't incorporated into the final design. The application of materials has also changed from a stone at the base, to a red brick. Clearly something has happened during the design process to change what could have been a positive approach. The very flat form of the proposed scheme is at odds with almost all of the building types in the wider area.

Looking at the elevations, it's clear that there is a lack of coherence in terms of the application of materials. The image in the bottom right corner on page 46 of the DAS is very similar in some ways and shows the issues well. Part of the issue is that what could be a strong ground level plinth to the building finished in natural stone, is creeping across different parts of the elevations, in a slightly scattered way. The metal-clad projecting features do offer something here in terms of a stronger feature which connects vertically through the building form.

The boundary railings shown in the CGIs are very reminiscent of temporary metal road barriers. These need to be amended to a natural stone dwarf wall with black metal railings above.

The floorplans show that only some of the properties have access to private amenity space in the form of balconies. Policy PSP43 of the Local Plan requires all new residential properties to be provided with a minimum of 5sq.m. All of the ground floor properties are provided for, but for the upper floors, only 11 out of 20 units per floor have balconies, meaning roughly 18 units are not policy compliant.

Design Review Panel advice
As you know, the NPPF supports LPAs utilising Design Review Panel services and have regard to the outcomes from these processes. The Design West Panel (https://www.designreviewwest.org/about) gives the council and developer partners access to, and the benefit of, an advisory panel of built environment experts, selected depending on the nature of the scheme and stage in the design process. I strongly recommend that this application be reviewed by the panel.

129. Local planning authorities should ensure that they have access to, and make appropriate use of, tools and processes for assessing and improving the design of development. These include workshops to engage the local community, design advice and review arrangements, and assessment frameworks such as Building for Life47. These are of most benefit if used as early as possible in the evolution of schemes, and are particularly important for significant projects such as large scale housing and mixed use developments. In assessing applications, local planning authorities should have regard to the outcome from these processes, including any recommendations made by design review panels. (Para129 NPPF)

Summary
Given that the layout, height, and parking are generally acceptable, it should not be hard to move the roof form, materials and their application, towards an acceptable position.

As the application stands, I cannot support it and would have to object and recommend refusal, based on policies CS1 ‘High Quality Design’, PSP1 ‘Local Distinctiveness’, and PSP43 ‘Private Amenity Space Standards’.

Many thanks,

Matt Haslam
Senior Planning Officer (Urban Design)

SOUTH GLOUCESTERSHIRE COUNCIL, DEPT of ENVIRONMENT AND COMMUNITY SERVICES

LEAD LOCAL FLOOD AUTHORITY (DRAINAGE) COMMENTS / OBSERVATIONS ON PLANNING APPLICATIONS

Planning application: P22/06158/F

Matters appertaining to the consultee comments below from the Lead Local Flood Authority (LLFA) must be directed to the Planning Case Officer in the first instance, including queries regarding the discharge of conditions.

Before we comment further, it appears we are missing the submission of the drainage survey data, which confirms the size, gradient and condition of the existing positive outfall to the southern boundary watercourse 'the River Frome Tributary' which confirms the existing discharge rate.

We expect to see included within the survey report, information related to the current surface water pumping station arrangement and its rate of discharge.

Clarity is also required on whether the current outfall 'headwall' arrangement requires upgrading.

Therefore, we await confirmation, and the submission of the survey information before we comment further.

Lynton Seymour (Ext.3523)

The Flood and Water Management Team – (Department for Place, StreetCare)

LeadLocalFloodAuthority@southglos.gov.uk

17 November 2022

Land at Chief Trading Post, Barry Road, Oldland Common (ref. 0266)

- Landscape officer response (June 2023)
- Public open space officer response (June 2023)
- Urban Design Officer comments (July 2023)
- Crime Prevention Officer (June 2023)

South Gloucestershire Council

PO Box 281, South Gloucestershire BS35 9BP

Memorandum to: Thomas Smith
Copy to:

From: Jane Jarvis

Date: 19 June 2023

Our Reference: **P23/01635/RM**
Telephone: 01454 867803/ext. 867992
Facsimile: 01454 863440
Email: Jane.Jarvis@southglos.gov.uk

RE: LAND AT CHIEF TRADING POST, BARRY ROAD, OLDLAND COMMON BS30 6QY

1.0 Description of Proposal

1.1 This is an application for the erection of 50No. dwellings, internal roads, landscaping, and associated works (Phase E only). (Approval of reserved matters to be read in conjunction with P21/05366/F).

1.2 The wider site lies off the east side of the A4175 Barry Road, adjacent to the settlement boundary of Bristol East Fridge that takes in Willsbridge and Oldland Common and comprises brownfield land in the Green Belt. Oldham Ridge, a Visually Important Hillside (Ref. Policy CS2), lies to its east. Much of the surrounding higher land to the N, E and S of the site is crossed by a network of public footpaths.

1.3 The application redline area takes in the larger part of the site, to exclude the supported living housing, together with doctor's surgery and farm shop fronting onto Barry Road; and access road which is dealt with by separate application.

2.0 Policy Context and Guidance

2.1 The following policies apply to the site:

- **NPPF July 2021**
  Section 12 (para. 131): Important contribution of trees
  Section 13: Protecting Green Belt land
  Section 15: Conserving and enhancing the natural environment
- **National Design Guidance January 2021**
  Part 2: The ten characteristics, including landscape related Context C1 and C2, Identity I1 to I3, Built Form B1 and B2, Nature N1 to N3, Public Spaces P1 to P3, Homes and Buildings H1 and H2.
- **SG Core Strategy (Adopted December 2013)**
  CS1: High Quality Design
  CS2: Green Infrastructure
  CS34: Rural Area
- **Policies Sites & Places Plan (Adopted November 2017)**
  PSP1: Local Distinctiveness
  PSP2: Landscape
  PSP3: Trees & Woodland
  PSP7: Development in the Green Belt
  PSP8: Residential Amenity

PSP40: Residential Development in Countryside

- **South Gloucestershire Landscape Character Assessment SPD (Revised and Proposed for Adoption November 2014)**
  Site lies within LCA 12: Westerleigh Vale and Oldland Ridge
- **Green Infrastructure: Guidance for New Development SPD (adopted April 2021)**
- **Trees and Development Sites: Guidance for New Development SPD (adopted April 2021)**

3.0 Analysis of Proposed Scheme and Information Submitted

3.1 Tree Survey and Protection Plan (March 2023):

- Defer to comment from the Tree Officer.

3.2 Soft Landscape and POS Design:

- Landscape Masterplan illustrates the general arrangement of hard and soft landscape areas; however, the title box and legend appear to have been part cut off the PDF version submitted. The schedule of tree, hedge and other structure planting presented on the plan is acceptable although may need revision to address issues set out below.
- The viewpoint point within the POS, proposed within the earlier hybrid application, seems to have been lost. Request this feature of interest is reinstated.
- Soft landscaping and planting are presented on Plans –5001/S5 Rev. P3, -5002/S5 Rev. P4, and -5003/S5 Rev. P4. The following issues need to be addressed:
  - Star Magnolia is not of sufficient height or appropriate stature to be used as a tree species between parking bays on Plan– 5001/S5 Rev. P3, and by bay 33 on Plan -5003/S5 Rev. P4 and needs to be substituted by a tall growing street tree species (but not Pyrus, which is already heavily relied upon).
  - There is the opportunity for a small tree/specimen shrub in the bed lying adjacent to parking space V6 on Plan –5001/S5 Rev. P3
  - Planting to Plots 40 to 33 has not been annotated on Plans – 001/S5 Rev. P3 and Plan -5002/S5 Rev. P4. Also, understorey/lower-level planting is required to the frontage of Plots 38 and 39 as these lie at the end of the internal road vista.
  - Additional specimen/taller stock trees (say min. 8No.) are required within the scrub planting beds on Plans -5002/S5 Rev. P4 and -5003/S5 Rev. P4 to create a more immediate ‘sense of place’ within the POS.
  - Proposed ornamental shrub mix to rear of Plots 31-43 on POS on Plans -5002/S5 Rev. P4 and -5003/S5 Rev. P4 will not form a sufficiently robust green edge/hedge treatment, and needs to be substituted by say a native hedge mix, which will also contribute to the biodiversity and planting structure of the scheme.
- Defer to further comment from the POS Officer in terms of the acceptability of the proposed planting around the play space (e.g., shading and tree root issues).
- Tree planting details are given on Plan -5500 Rev. P1 and include use of proprietary products.
- The soft landscaping scheme needs to be supported by an implementation specification, as advised for the hybrid application.
- Defer to the Ecology officer in terms of proposed wildlife features referenced on various plans.

3.3 Hard Landscape and Boundary Treatments:

- Boundary treatments are shown on Plan 1004 Rev. P5. A 1.8m high wall should be specified to the rear of Plot 31 in keeping with other rear garden areas lying adjacent to the footpath.
- Close board fencing to the rear of Plots 45-50 needs to be replaced by either a wall or wall with trellis to improve the outlook for Units 41-43.

Environment & Community Services

- Plan -5100/S5 Rev. P3 shows boundary treatments within the POS as well as hard landscape finishes across the site. No enclosure appears to be proposed to the play are, defer to further comment from the POS Officer on this point and the proposed layout/equipment within the play space.
- The colour of the block paving needs to be specified and could vary between different housing cluster to help contribute to the sense of place/legibility of the scheme.
- A hard surface finish to the path providing access to Plots 36-43 and the POS needs to be specified; a mown grass path is not resilient enough and will not provide appropriate year-round access.
- Recommend that additional litter bins are sited at the road entrance to the southern footpath and entrance to the POS by Plot 43; also, dog bins need to be provided.

3.4 LEMP:

- As advised for the original application, and required by Condition 19, an individual LEMP is required to support this phase of the development; none has been found. The LEMP submitted under DOC23/00099 relates to Phase A and enabling works, and is not comprehensive or specific enough in terms of this application.

4.0 Conclusion/Recommendation

4.1 A revised planting scheme is required to address the issues set out in Section 3 above. Also, the soft landscaping scheme needs to be supported by an implementation specification, as advised for the hybrid application.

4.2 Similarly, revised boundary treatment and hard surface finishes information is required to address issues set out in Section 3.

4.3 Request the previously proposed viewpoint feature within the POS is reinstated.

4.4 This RMA needs to be supported by its own LEMP, as required by Condition 19.

4.5 Proposed lighting and drainage layouts will need to be designed to accommodate new tree planting. No information has been found to ensure that an appropriate consistency check has been undertaken by the consultants to address this.

Regards

Jane Jarvis CMLI
Landscape Architect,
Strategic Planning Policy & Specialist Advice Team

South Gloucestershire Council

Department for Place
PO Box 1954, Bristol, BS37 0DD

RESERVED MATTERS APPLICATION CONSULTATION RESPONSE

Memorandum to: (Case Officer)	Thomas Smith, Senior Planning Officer
From:	Miranda Luckwell, Community Infrastructure Officer
Email:	miranda.luckwell@southglos.gov.uk
cc:	Laura Turner, Senior Ecology Officer Jane Jarvis, Senior Landscape Architect
Date:	09/06/23
Planning Application Number:	P23/01635/RM
Site Address:	Land At Chief Trading Post, Barry Road, Oldland Common, South Gloucestershire, BS30 6QY
Description of Development:	Erection of 50no. dwellings, internal roads, landscaping and associated works (Phase E only). (Approval of reserved matters to be read in conjunction with P21/05366/F)

The covering letter refers to the applicant's intention to discharge several conditions attached to P21/05366/F.

We note the development description says approval of Phase E only, but the plans also include Phase A, which contains Ancillary Open Space.

<u>Condition 12 Public Art</u> We have discovered DOC23/00174 has been submitted to discharge condition 12 and that Public Art is proposed on POS. We note from the submitted Public Art Strategy that, whilst no firm locations have been proposed, inside the children's play area is being considered as a potential location for public art. Please note that inside the children's play area would not be a suitable location as unaccompanied adults and dogs, etc. are not welcome in a children's play area.

<u>Condition 19 LEMP Phase A</u> We were not consulted but we note that this has been discharged DOC23/00099. Please note that the LEMP refers to condition 18 but it should be condition 19, see extract below from the LEMP NPA 11196 801 Rev P01

1.0 Introduction

1.1 Nicholas Pearson Associates was appointed by Oldland Common LLP to prepare a Landscape and Ecological Management Plan (LEMP) for 'Phase A – Access Road' of proposed mixed use development at Chief Trading Post, Oldland Common. This document has been prepared for discharge of planning condition 18 related to the planning consent (ref: P21/ 05366/F):

18	Landscape and ecological management plan (LEMP)	For each phase of development approved in both full and outline, a landscape and ecological management plan for that phase covering the enabling works operations/period and a subsequent 20 Year management period, identifying existing and proposed landscape and ecology related site assets, associated management objectives, schedules of annual maintenance work together with longer term management operations shall be submitted to and approved in writing by the Local Planning Authority prior to development commencing. The LEMP shall include all ecological enhancements including specifications and locations to ensure that positive biodiversity net can be obtained. Development shall be carried out in accordance with the approved details.

Please note that although the approved LEMP for phase A contains LEMP Proposed Responsibilities Figure 1 for the whole site, it is not detailed and specific, and we need a detailed POS plan for the reserved matters application.

The applicant was going to submit a combined LEMP for Phases A & E but as the submitted LEMP (DOC23/00099) states Phase A, and although it includes elements of the remainder of the site, it does not do so adequately and comprehensively. For example they refer to the play area but they do not go into any management and maintenance prescriptions. They will therefore need to submit either a LEMP that covers in detail Phases A & E or they will need to submit a LEMP for Phase E.

Provision for Children & Young People

Page 30 of the DAS states that the development will feature a 300sq.m. fully equipped play area. The Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan shows a play area circa 205sq.m. in size. Schedule 2 Section 1.12 requires a minimum of 300sq.m. equipped play space for children and young people to be delivered on-site. The play area therefore needs to be increased in size to a provide a minimum of 300sq.m. equipped play.

Six play items are proposed; a basket swing, double swing, springy beam, see-saw, embankment slide and a multi play unit, located on bound rubber mulch. The proposed items accommodate children of a variety of ages, for example the Multi Play Unit is aimed at children 1-8 years and the Basket Swing accommodates 3-12 year olds. It therefore does not appear that the scheme has been designed with a specific age range of children in mind. The free space of the Springy Beam and the See-saw overlap, which is unacceptable. There is only one accessible play item – the basket swing. The play area should be as inclusive as possible, catering for children with differing abilities. Please see my comments below regarding the embankment slide.

There is no fencing proposed around the play area. The notes relating to revision P2 of the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan (DR-5100 S5-P3) removed bitmac surfacing to the peripheral paths and the play fencing. The Phase A LEMP (i.e. access road) refers to fencing delineation of the play area. I believe that fencing around the play area should be provided so that children are free to run about and claim the play space as their own and where they are not likely to come into conflict with other POS users such as dogs. 1m high play specification Bowtop fencing with two self-closing pedestrian gates of a suitable contrasting colour for visually impaired people is required to fulfil the “bully gate” system, which affords children an alternative means of escape if they are being bullied. One of the gates could be a combined pedestrian/maintenance gate; 1.2m opening for pedestrians and 1.8m for maintenance.

A 2m wide path, shown as self-binding gravel on the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan, is proposed leading to the play area. A sealed surfaced route should be provided for this path which would be inclusive and not be compromised by wet weather and erosion, e.g. tarmac.

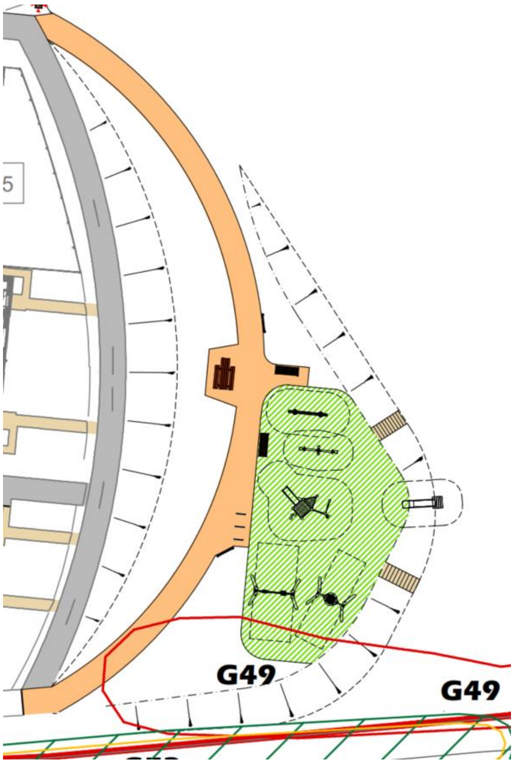
One Standard Broxap litter bin is shown, on the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan, located c.30m north of the play area. A litter bin also needs to be positioned closer to the play area near to the seating and picnic table. The litter bin is also shown on the Softworks Proposals 3150-5-2 but is not included in the key.

I welcome the proposal of a picnic table with extended tabletop as this will enable a person using a wheelchair to sit at the table. The area of hard standing that it is positioned on will however need to be widened to ensure that there is sufficient wheelchair access to it; the hard standing space around the picnic table is only about 800mm wide.

Two Broxap Kennington Hardwood seats with back and arm rests are shown on the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan. They are proposed as *“or equal & approved”.* Please note that as this is a reserved matters application, the details should be confirmed at this stage. The hardstanding where the seat north of the play area is located needs to be wider so that a pushchair or wheelchair can be safely parked alongside.

There are possibly three bike stands proposed adjacent to the play area on the hardstanding, however they are not included the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan key. As mentioned previously there is no fencing proposed around the play area and without this there is a likelihood of bikes being left in the free space area of the play equipment and children may view them as play equipment. Junior bike stands should be specified, and these should be located outside of the play area.

Despite the notes in the Hard Surfaces, POS Boundaries, Play Features & Eco Enhancement Plan referring to "*Design levels: refer to Engineers where design levels are not shown*" I have been unable to find any information relating to the levels of the play area and how it relates to the properties to the west. A slope is shown running down into the play area on its eastern side with the embankment slide and two sets of steps. A second bank is proposed down to the nearest dwellings, so that it appears that the play area will be in an elevated position in relation to these dwellings.



We require levels/cross sections through from the properties to the eastern side of the play area and through the play area so we can properly assess the proposals. Details of the steps are needed as well as the embankment slide specification i.e. its width, angle etc. Safety surfacing is required at the sides and top of the slide to prevent erosion.

The soft landscaped area to the west of the play area could provide more screening to the play area whilst still maintaining passive surveillance into the play area.

Two Prunus avium (cherry) trees are proposed at either end of the play area. These trees can grow to higher than 12 meters and up to 8 metres wide. They also tend to develop shallow roots which could cause damage to the play area surfacing. They are also likely to cause shading and may impact the free space of the play equipment. Different trees should be considered here.

Cornus alba (Siberian Dogwood) is proposed in the plant mix located at either end of the play area. This should be removed from the mix as it is proposed within close location to the play area. Dogwood coppice can result in puncture wounds should a child fall onto it.

<u>Natural & Semi-natural Open Space</u>

Mown paths are shown running along the southern boundary of the proposed development as well as along the periphery of plots 36 to 43. These paths are likely to become inaccessible in the winter as well as being inaccessible to wheelchair users throughout the year. To make the POS usable for the community, a sealed surfaced route should be provided for the path that is providing access to the play area as a minimum.

1.2m high fencing with stock proof netting is proposed around the controlled access areas. The image of the fencing in the Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan and the Softworks Proposals does not show any stock proof netting. A seat is proposed on the southern side of the western controlled access area adjacent to the fencing. I suggest that the seat is moved further away from the fencing to discourage people using it to climb into the controlled access area. A bin needs to be located near to the seat otherwise litter is likely to become a problem.

Ecological enhancement features, consisting of Log Piles, Hibernacula and Bug Hotels are proposed within the controlled access areas and within the POS. I have been unable to find details of these features. The Hard Surfaces, POS Boundaries, Play Features & Eco enhancement Plan key refers to CEMP for details. Was that submitted elsewhere? I have been unable to find it on this RM application.

There are soft landscape areas, some with street trees, in between car parking spaces and in the highway proposed for adoption. The Council, as Highway Authority would not wish to adopt landscaping. These areas should be labelled as Ancillary Open Space within a POS plan so that their ongoing management and maintenance is secured under the Management and Maintenance Scheme. See snip below (please note I have only given a few examples of this).

General Comments

The Hard Surfaces, POS Boundaries, Play Features & Eco Enhancement Plan and the Softworks Proposals refer to "*Lighting engineer drawings".* I have been unable to find a street lighting plan, and without this there can be no assurance that there are no conflicts between landscaping and lighting. Page 30 of the DAS also refers to the external lighting proposals that accompany this application.

The Hard Surfaces, POS Boundaries, Play Features & Eco Enhancement Plan and the Softworks Proposals include an image of a timber bollard in its key. I have been unable to find the location of any bollards in the plan. Where are the bollards proposed?

As I have previously mentioned in relation to DOC23/00099 a detailed Public Open Space Plan is required that clearly indicates the types and quantities of on-site open space including areas of Ancillary Open Space as defined in the S106. This is needed to ensure that there is a plan that clearly indicates the ownership and on-going management and maintenance responsibilities of all areas of on-site open space.

The notes on the Softworks Proposals Plans are so small that they can only be read at over about 200%. This is unacceptable, the notes should be made bigger so that they are legible at 100%.

	South Gloucestershire Council
Name	Matt Haslam (BA (Hons), Dip UD, MA UD)
Title	Senior Planning Officer (Urban Design)
Email	matt.haslam@southglos.gov.uk
Telephone	01454 863545
Application No.	P23/01635/RM
Description	Erection of 50no dwellings, internal roads, landscaping and associated works (Phase E only). (Approval of reserved matters to be read in conjunction with P21/05366/F).
Address	Land At Chief Trading Post Barry Road Oldland Common South Gloucestershire BS30 6QY
Date	13/07/23
Case Officer	Thomas Smith

The following are urban design comments on the above application.

Site plan / layout
There is a general lack of street trees, which is required under the NPPF.

Streets are very much dominated by parking. There are no examples where integrated and wider parking spaces have been used which could reduce the level of parking within the public realm. The se of a higher proportion of apartment types could help to reduce this issue.

Visitor parking is not provided along either side of the central block (units 13 to 30). A row of 4 spaces is provided along the side of the access road and a few to the fronts of the row of unts along the eastern edge. It will be important to check with Transport regarding the overall provision and locations.

The whole of the floating block including units 44 to 50 is very awkward and exposes all of the rear gardens which could have security implications. Again, the block is dominated by parking which will form most of the outlook for the properties on the southern side of the street.

Private amenity space
All properties are required to be provided with a minimum of private amenity space – 5m.sq. for flats and much more for houses. Units 1-8 have not been provided with private amenity space (according to the specific floorplans), such as balconies, roof terraces etc. What looks like shared communal space has been provided within a type of courtyard between these units, surrounded on the southern side by what could be bike and bin stores. Page 30 of the DAS also seems to indicate a form of ground floor allocated space but this is not clear. There is also a row of possible sheds or stores shown to the west of units 7 and 8. Depending on what these are, this could block views from the ground floor property and create a negative outlook.

Architecture / character

Policy PSP1 is as follows;

PSP1
Development proposal(s) will be acceptable where the proposals demonstrate an understanding of, and respond constructively to the buildings and characteristics that make a particularly positive contribution to the distinctiveness of the area / locality.

Innovative architectural responses will be favourably considered, where this would result in a high quality design that would in itself contribute positively to the distinctiveness of a place.

The point is that it is the positive buildings and characteristics which should be referenced. In my view, there are numerous 'neutral' quality buildings in the area which don't make a particularly positive contribution to character. However, the use of multi-toned bricks is supported, as is brick as a main facing material. The use of timber is also interesting, but I would be reluctant to accept an untreated natural timber due to issues around staining and uneven weathering over time. The two options therefore, would be to treat the timber with a preservative (and also possibly a fire-retardant treatment), to preserve the natural finish, or to use a fibre-cement product, possibly in black, to reference the natural timber (as shown on page 23 of the DAS).

The detailing around the timer is really important. Any overhangs above the timber will lead to uneven weathering over time so if natural timber is used, any faces will need to be completely and evenly exposed to the elements. The small picture on page 22 of the DAS (bottom left image), shows how uneven and patchy weathering can significantly reduce the quality of the building.

I would recommend that a least some door colour variation needed. Using all grey is slightly drab. A range of colours would help add interest and variety to the streets.

Design Review Panel advice
As you know, the NPPF supports LPAs utilising Design Review Panel services and must have regard to the outcomes from these processes as part of the decision-making process. The Design West Panel (https://www.designreviewwest.org/about) gives the council and developer partners access to, and the benefit of, an advisory panel of built environment experts, selected depending on the nature of the scheme and stage in the design process.

I would strongly advise that this application should be reviewed by the Design West panel.

133. Local planning authorities should ensure that they have access to, and make appropriate use of, tools and processes for assessing and improving the design of development. These include workshops to engage the local community, design advice and review arrangements, and assessment frameworks such as Building for Life. These are of most benefit if used as early as possible in the evolution of schemes, and are particularly important for significant projects such as large scale housing and mixed use developments. In assessing applications, local planning authorities should have regard to the outcome from these processes, including any recommendations made by design review panels. (Para133 NPPF)

Many thanks,

Matt Haslam
Senior Planning Officer (Urban Design)

Avon and Somerset Constabulary

Crime Prevention Through Environmental Design Planning Response

Site Address – Land At Chief Trading Post Barry Road Oldland Common South Gloucestershire BS30 6QY	**App. Ref –** P23/01635/RM
Development description – Erection of 50no dwellings, internal roads, landscaping and associated works (Phase E only). (Approval of reserved matters to be read in conjunction with P21/05366/F).	**Response Date –** 14/6/2023
Designing Out Crime Officer – Kevin Wilkinson **Neighbourhood Policing Support Team – South Gloucestershire** Concorde House, Harlequin Office Park, Fieldfare, Emersons Green, BS16 7FN **Mobile 07889656105** **Email:** kevin.wilkinson@avonandsomerset.police.uk	

Summary Response	
No Objection or comments	
No Objection – Subject to comments	
Object in principle	
Not acceptable in its current format	✘

Detailed Response

I am a Designing Out Crime Officer (DOCO) with a responsibility for Crime Prevention Through Environmental Design (CPTED) projects within South Gloucestershire area. As a Constabulary we offer advice and guidance on how the built environment can influence crime and disorder.

Paragraphs 92, 97 and 130 of the National Planning Policy Framework July 2021 require crime and disorder and fear of crime to be considered in the design stage of a development. Other paragraphs such as 8, 106, 108, 112, and 119 also require the creation of safe environments within the context of the appropriate section.

In addition, Policy CS1 – High Quality Design of the South Gloucestershire Local Plan: Core Strategy (December 2013) in Point 9 states that development proposals will be required to demonstrate that they take account of personal safety, security, and crime prevention.

In view of this I therefore offer the below Comments:

1. The references to Community Safety and Secured by Design in the submitted Design and Access Statement is welcomed and demonstrates a willingness on behalf of the applicant to consider the issues. However, there are some serious issues that would still need to be addressed.

2. There are no details of the lighting design to be used on the development. The lighting should achieve the levels as recommended by BS 5489:2020 and light fittings should be protected where vulnerable to vandalism.

A lighting scheme should provide uniformed lighting levels with good colour rendition and be sufficient to cater for lawful after dark activity, it should not cause glare or light pollution and should support both formal and informal surveillance of the site.

3. Lighting and Un-adopted Areas - Plots 26-34are located in an area which appears to have not been included in the adopted highway designation for the development. This would mean that the area would not be provided with street lighting and consequently the vehicles parked in the area and the residents would be at an increased risk of crime, particularly their personal safety.

   Relying upon lighting from the front doors of the plots would not be acceptable; street lighting to British Standard BS5489:2020, the same as the adopted areas must be provided.

   Manual for streets states that “Adequate lighting helps reduce crime and the fear of crime, and can encourage increased pedestrian activity.”

4. It is noted that there are a large number of footpaths shown on the submitted plans allowing access to the rear gardens of the properties.

   In South Gloucestershire 66% of the burglaries are via a rear ground floor window or door.

   It is preferable that footpaths are not placed to the back of properties. If they are essential to give access to the rear of properties, they must be gated. The gates must be placed at the entrance to the footpath, as near to the front building line as possible, so that attempts to climb them will be in full view of the street.

   Where possible the street lighting scheme should be designed to ensure that the gates are well illuminated. Gates must be capable of being locked (operable by key from both sides of the gate).

   The gates must not be easy to climb or remove from their hinges and serve the minimum number of homes as possible.

5. The DAS indicates the use of sheds in the rear gardens to comply with the cycle security requirements of policy CS8.

   Where bicycle storage is provided in a robust shed, the minimum recommended requirements for the shed construction and security are as follows:

   • 38x50mm (min) planed timber frame

   • Floor and roof constructed from 11mm boards (min)

   • 10x125mm (min) Tongue & Grooved board

   • No window to be present

   • Door hinges, hasp and staple to be coach-bolted through the shed structure

   • ‘Sold Secure’ Silver or LPS 1654 Issue 1:2013 SR1 standard padlock to be used

   • Shall be securely fixed to a suitable substrate foundation

   • The bicycle security anchor shall also be certificated to ‘Sold Secure’ Silver

Standard or LPS 1175 Issue 7.2 (2014) SR1 and securely fixed to the concrete foundation in accordance with the manufacturer's specifications

• Proprietary wall-mounted anchoring systems certificated to Sold Secure Silver standard and installed according to the manufacturer's specifications are acceptable

Due to the comments above I feel that this application does not provide sufficient detail in some areas, as well as requiring clarification in others to make a suitable decision as to its ability to fully meet the safety and security requirements of the National Planning Policy Framework or the South Gloucestershire Core Strategy.

I would judge this application currently to be "Not acceptable in its current format".

If there are any questions concerning these comments, then please feel free to contact me.

Kevin Wilkinson

Land at Harry Stoke, Stoke Gifford – Crest (ref. 0021c)

- Housing Enabling team (July 2023)
- Landscape officer (July 2023)
- Drainage officer response (July 2023)
- Public Open Space officer response (July 2023)
- Urban Design response (June 2023)

Internal Consultation response

Site Location: Land at Harry Stoke Rd

Application Number: PT17/5847/RM

Consultation response from: Pete Heffernan, Strategic Housing Enabling

Recommendation: *No objection subject to necessary changes set out below:*

Short description of site and location:

This application is for 229 homes in Harry Stoke and Affordable Housing is sought in accordance with Outline planning permission PT06/1001/O and schedule 10 of the S106 agreement signed on 19.5.2011 (see Annex 4, replacement for Schedule 10).

Comments:

Quantum

The Affordable Housing quantum has been provided in accordance with the S106 agreement. The application for 229 total dwellings shows 33.3% (76) of these homes will be provided as Affordable Housing.

Tenure and Type

The application is in accordance with the tenure split of 77.25% for Social Rent homes and 22.75% Shared Ownership as set out in the S106 agreement and proposes 59 units for social rent and 17 units Shared Ownership.

The range of house types proposed are broadly accordance with the S106 agreement (as set out in the tables below):

Social Rent: 77.25% or 59 homes

%	Type	S106	Proposal	Min Size m^2
6.75%	1 bed 2 person flats	5.13	4	50
3.75%/	2 bed 4 person flats	2.85	5	70
26.75%/	2 bed 4 person houses/ wheelchair spec house	20.33	18	79/93
25%	3 bed 5 person houses /wheelchair spec house	19	19	93/106
15%	4 bed 6 person houses	11.4	13	106
Total		58.71	59	

Shared Ownership: 22.75% or 17 homes

%	Type	S106	Proposal	Min Size m^2
3.25	1 bed 2 person flat	2.47	3	50
11.25	2 bed 4 person flat	8.55	6	70
8.25	2 bed 4 person houses	6.27	8	79
Total		17.29	17	

The Accommodation Schedule and Coverage Schedule provided both refer to 263 total homes and as such plot numbers and housetype sizes cannot be assessed using these documents.

A further Accommodation Schedule attached to the Site Layout confirms total homes of 229 with 76 Affordable but also indicates that 5 of the proposed 2-bed houses are at 765ft (71.07m^2) and are for 3 people. This is not a housetype included in the S106 or that forms part of the SHMA & therefore cannot be supported. Please amend the house size and number of inhabitants for these homes.

There are also 3-bed houses at 1001ft (92.99m^2) which are, albeit minimally, undersized. Please ensure that each housetype meets the minimum size requirements.

Design

The S106 agreement requires Affordable Homes to be built to the same design standard as the market units and in addition Lifetime Homes standard, Part 2 of Secured by Design, and in respect of Social Rent and Shared Ownership, compliance with the RP Design Brief;

i. All rear gardens to be turfed and generally to have 1.8m high close boarded fencing to boundaries and privacy panels;
ii. All properties to have vinyl/tiles on floor in all ground floor rooms;
iii. Ceiling height tiling to 3 sides of bathroom to be provided;
iv. Provide wall mounted shower (either electric or valve and kit);
v. Provide gas and electric points to cooker space (where gas is available);
vi. Painted softwood curtain battens to each window (where construction is traditional as opposed to timber frame)

The S106 agreement specifies 12 affordable dwellings in a cluster with no more than 6 flats with shared access. All flats sharing a communal entrance should be of a single tenure.

The group of Affordable homes including Block G (plots 196-205) & the plots 226-229, form a cluster of 13 homes. This will need to be reduced to meet the terms of the S106.

Wheelchair Provision

Crest has confirmed all Affordable Homes i.e. Base & Target, will be built in accordance with the council's current and up-to-date Policy PSP37 of the adopted Policies, Sites and Places Plan and in particular the following:

1. M4(2) Building Regulation standards which has superseded Lifetime Home Standards and will be enforced by way of a planning condition.
2. M4(3) Building Regulation standards which has superseded the Council's Wheelchair Specification. This will be enforced by way of a planning condition.

35% Affordable Dwellings shall be constructed to meet Part M of the Building Regulations accessibility standard M4(2) with the exception of:

1. any self-contained accommodation built above ground floor level where level access is not achievable;
2. the 8% affordable homes required to meet:

   2.1 Part M of the Building Regulations accessibility standard M4(3)(2)(a); and
   2.2 Part M of the Building Regulations accessibility standard M4(3)(2)(b) and M4(3) paragraphs 3.37 and 3.39 to provide a ground floor level wheelchair accessible wet room which shall contain a WC, a basin and a level access shower.

The application proposes 3% of the Affordable Homes consisting of 2.28 homes to be provided as wheelchair accommodation in accordance with the S106 agreement. A recent amendment to the Council's Housing Enabling comments includes the following:

8% of Affordable Homes to meet Part M of the Building Regulations accessibility standards M4(3)(2)(a), M4(3)(2)(b) and accessibility standard M4(3) paragraphs 3.37 and 3.39 to provide a ground floor level wheelchair accessible wet room which shall contain a WC, a basin and a level access shower.

We are asking applicants to consider adopting this change as part of their build-out programme or in their negotiations with Registered Providers when contracting on the Affordable Homes. This would only apply to 2-bed+ houses.

Part M of the Building Regulations accessibility standards M4(3): two x 2-bed, 4-person homes have been proposed at plots 63 & 64. Comments about wheelchair accommodation design and location from the Council's OT are below:

Kitchen

- Can the separating wall between the kitchen and dining area be removed, this would maximise the circulation space within the kitchen area, the proposed layout would create several collision points for a person needing to manoeuvre in their wheelchair, if there are concerns around loosing space for the utilities indicated on the plans the back door could be positioned further along the wall into the dining space.

Through floor lift space

- Can the dimensions of the aperture be checked to ensure they can accommodate a through lift with minimum external dimension of 918 x 1505mm.

Shower areas

- Are the shower area's for indictive of where they can be placed, or will they be installed?

In June 2023 Crest advised that it would be relocating 2 M4(3) plots from Harry Stoke phase 1 (plots 34 & 35) to this Phase 6 & 7 RM scheme (plots 63 & 64). If this is the case, please advise either as to where the M4(3) requirement for this scheme (2 homes) will be provided as it is not clear from the plans currently provided or where the wheelchair home requirement from Phase 1 will be provided.

The applicant is requested to address the issues outlined above with the wheelchair accommodation prior to RM application being determined.

Accessibility Planning Conditions M4(2) and M4(3)

<u>M4(2) and M4(3) Reason</u>

To ensure inclusive design access for all in accordance with Policy PSP37 of the adopted South Gloucestershire Local Plan: Policies, Sites and Places Plan.

<u>M4(2) and M4(3) Informative</u>

The person carrying out the building work must inform the building control body of Condition **[X - TBC]** as the building control body will be required to determine compliance with Part M of the Building Regulations accessibility standard M4(2) and/or M4(3)(2)(a), M4(3)(2)(b) and M4(3) paragraphs 3.37 and 3.39.

<u>Code Level 3</u>

The 2010 Deed of Variation (DoV) requires the Affordable Homes to be built "*to meet Code Level 3 standard or equivalent".* There is also a planning condition that requires the scheme to be built to provide 10% renewables. In Addition, alongside this current RM application, Crest is seeking approval to amend the Code Level 3 requirement by way of a current DoV which is subject to ongoing negotiations.

<u>Summary of comments and recommendation (*to be used in the case officer report):*</u>

This application generates an Affordable Housing requirement of 76 home consisting of 59 for Social Rent & 17 for Shared Ownership.

59 x Social Rent homes at plots:

- 4 x 1-bed, 2 person flats at 50m^2: 196, 197, 199 & 202
- 5 x 2-bed, 4-person flats at 70m^2: 198, 200, 201, 203 & 205
- 18 x 2-bed, 4-person, 2-storey houses at 79m^2: 18, 19, 20, 21, 67, 68, 69, 75, 76, 77, 138, 139, 140, 141, 142, 143, 144 & 146
- 19 x 3-bed, 5-person, 2-storey houses at 93m^2: 10, 11, 17, 26, 27, 28, 48, 49, 50, 51, 52, 63*, 64*, 78, 79, 80, 81, 145, & 147
- 13 x 4-bed, 6-person, 2-storey houses at 106m^2: 8, 9, 15, 16, 44, 45, 46, 47, 112, 113, 114, 115, 116

*M4(3)(2)

17 x Shared Ownership homes at plots:

- 4 x 1-bed, 2 person flats at 50m^2: 103, 104, 106, 109
- 5 x 2-bed, 4-person flats at 70m^2:, 105, 107, 108, 110 & 111
- 8 x 2-bed, 4-person, 2-storey houses at 79m^2: 84, 85, 92, 93, 227, 227, 228 & 229

Please response to the issues below prior to any NO Objection assessment.:

- Some housetypes are undersized
- There is a cluster of 13 homes

- The wheelchair homes provision has OT comments, a request on the M4(3)(B) standard and a query on provision from another Crest phase in the Harry Stoke area, to respond to

Recommendation: **No Objection subject to meeting the above requests to amend the application**

South Gloucestershire Council

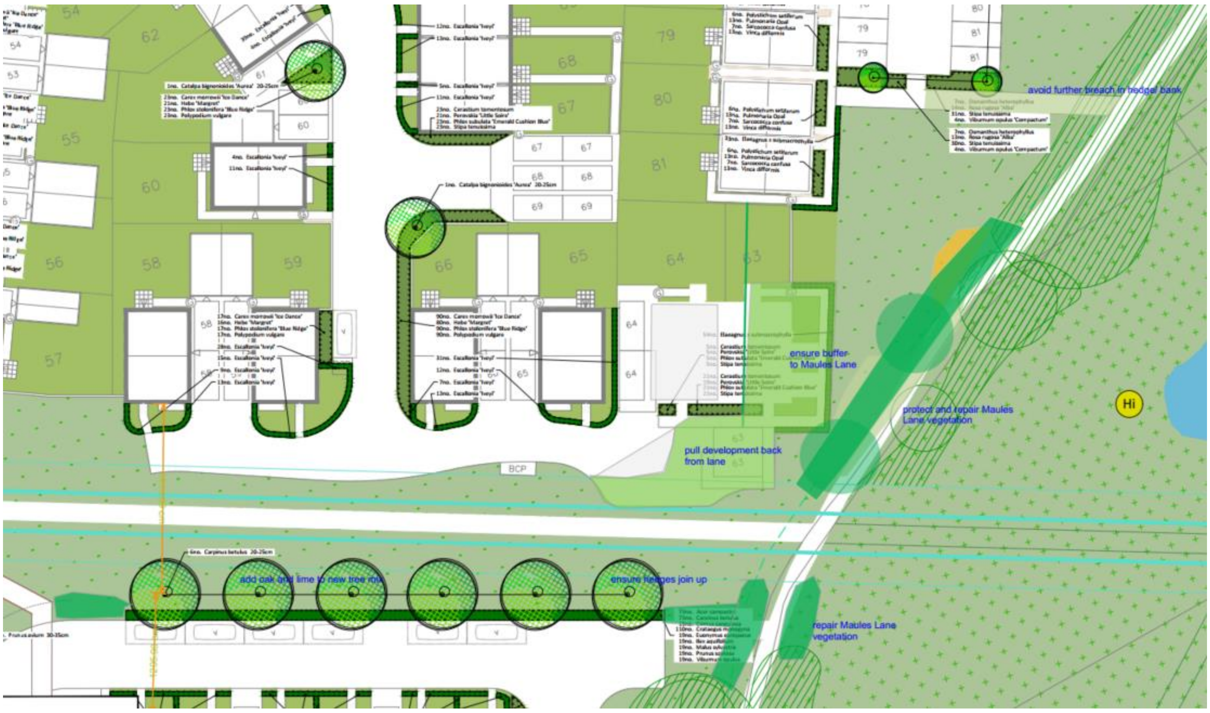
Department for Place
Major Sites Team, PO BOX `, Badminton Road , Yate

PLANNING APPLICATION CONSULTATION RESPONSE

Memorandum to: (Case Officer)	Lucy Paffett- Major Sites Team
From:	**Rachel Fry**
Response from Service Department:	Landscape – Major Sites Team
Email:	
cc:	
Date:	5.07.2023
Planning Application Number:	PT17/5847/RM
Site Address:	Harry Stoke 1, second phase parcels 6/7
Description of Development:	Residential development and children's play

Harry Stoke 1- Phase 2
Maules Lane
This is a key element of the wider Green Infrastructure both within parcel 6/7 and the wider site. It forms a recreational route as well as part of the strategic habitat links for Great Crested Newts and bats. The lane needs to have gaps in vegetation made good to provide as near continuous vegetation cover as possible and to be a dark corridor. Therefore development- houses, gardens, parking and roads need to be set well back from the lane and its trees and hedges. It is clear looking at the northern section of Maules Lane that previous phases of the development were not set far enough back from the hedge with garden fences/ garages blocking light and restricting maintenance.
There has been a marginal improvement in the setting of Maules Lane in the northernmost part of the site by the reduction in proximity of the houses, however the parking arrangement around the side of the lane is poorly arranged. The opportunity to repair and replant the hedgerow at the northern section of the site has not been taken and a large gap extends along in front of plot 63 far in excess of the cable corridor. This effects both the character of the lane and the value of the feature as a linear habitat. Plot 63 is too close to the line of Maules Lane and space is needed for repair and buffering to the route. Additional breaches in the lane at the north should be removed and opportunities taken to replant native trees associated with the lane. The retention of G8 to the west of the lane is required. Two trees within G7 are worth retaining, a pine and a field maple.

Replacement native hedgerow to the south of the cable corridor needs to link with Maules lane to ensure continuity of the habitat features. The proposed tree planting should be diversified with the inclusion of oak and lime to give a more natural character to the open space. The transplantation of hedge H2 to the side of the cable corridor would be beneficial.
I would question the extent of tussock grassland through the open spaces rather than meadow grassland as the tussock grassland is very impenetrable to movement and informal use.
Bin collection points if required should not be located within the open space network and main pedestrian routes.



Both the housing and car parking to the south still intrudes into the Maules Lane corridor in an unacceptable way with significant impacts on its character and quality. The use and resilience as a habitat corridor is impacted by the proposals . Space is not available to re enforce or repair the hedges alongside the lane satisfactorily. The eastern end of hedge H1 should be retained and the breach in the hedge alongside Maules Lane at the southern end of the site repaired.

The southern site margin alongside the ring road is part of the GCN habitat and dispersal route and therefore the links between habitat features needs to be robust, including across Maules Lane and north along Maules Lane.

This indicates the over development of the site and requires a reduction in unit numbers to ameliorate these impacts.

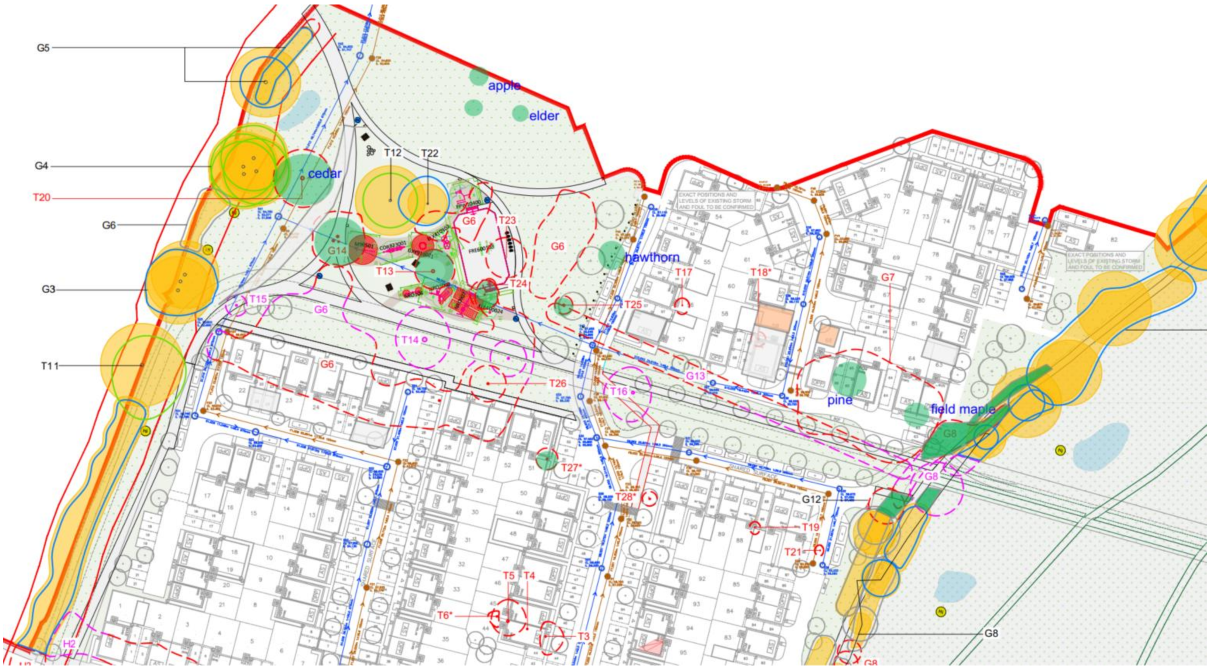
The scheme now proposes the total removal of the southern hedgerow, the northern hedgerow and almost all of the existing trees and shrubs on site. The stream side vegetation, whilst shown for retention is impacted by the cable corridor works and the cycle path which overlap with the RPZ'S. Proposed new hedgerows and tree planting are constrained by the cable corridor easement and the proximity of the proposed houses.

The benefits of the existing vegetation on site to help create a sense of place and maturity has been under valued. The location of the cable corridor has meant the removal of a number of the larger trees whilst its presence through the centre of the proposed open space constrains provision of suitable replacements.

The retention of the existing trees and hedges would offer wider benefits than just the visible vegetation. They are also associated with an undisturbed area of soils and ground flora. Healthy soils provide a greater carbon store than the above ground vegetation and healthy, undisturbed soils provide pool of soil organisms and mycorrhiza which help plant health. Therefore there are clear, wider benefits in retaining existing vegetation and associated soils within the scheme over and above a ‘like for like ‘ replacement scheme. The original masterplan and open space strategy allowed for a more generous area of retained vegetation and play space than currently proposed. Having assessed the trees remaining on site following the clearance of the cable corridor and some adjoining hedges I would recommend that a number of existing additional trees are retained – T20 cedar/ T27 oak/part of G14 /T25 western red cedar/T24 , part of G7.

Children’s Play

The best way of proceeding with the play area design would be to agree a tree clearance and tree surgery scheme for the autumn which would allow the remaining spaces to be assessed and the play design fitted around the retained trees. The sewer line and cycle track will need re aligning to avoid the trees.

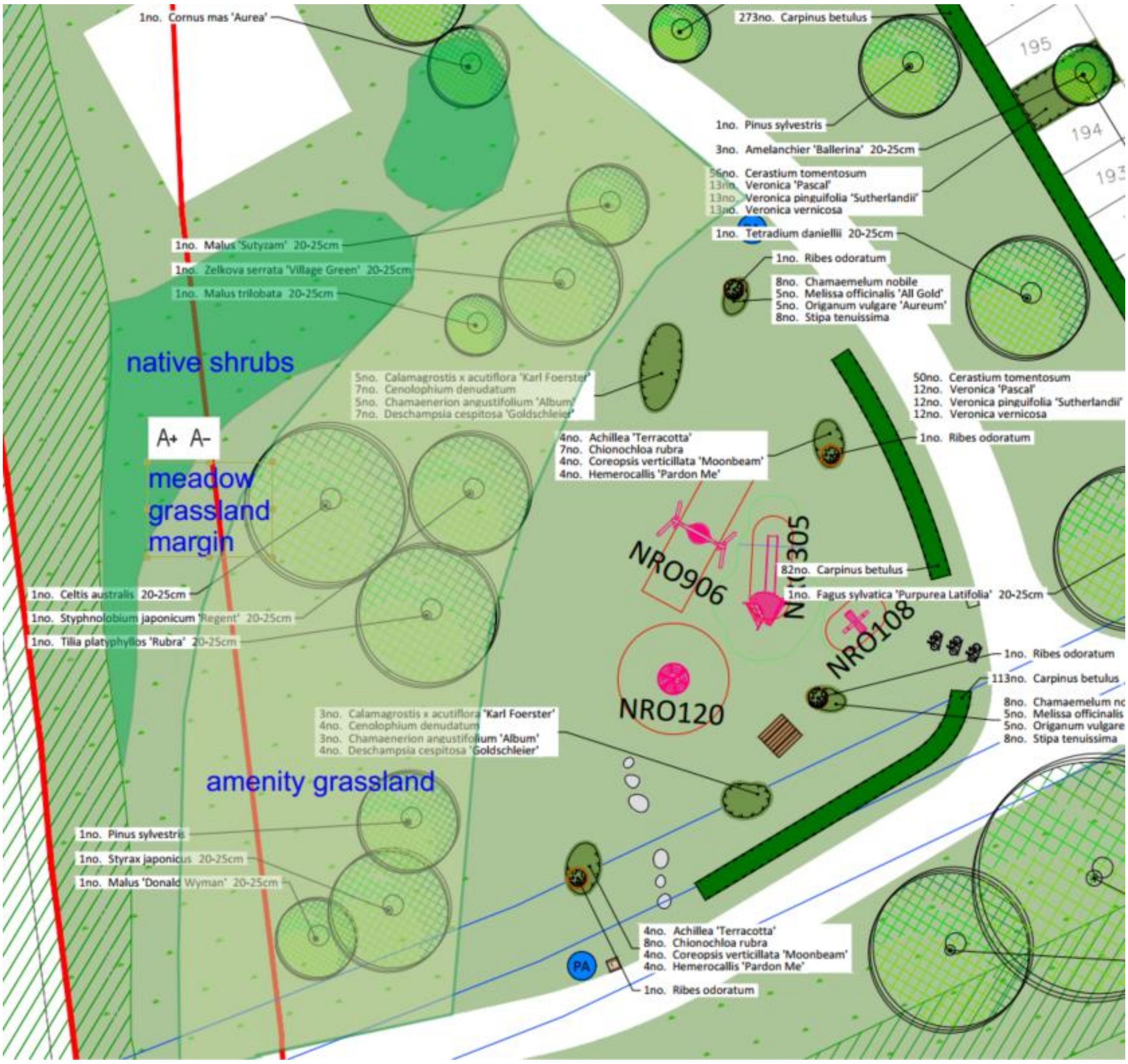


A water tank currently lies within the play area and will need filling.

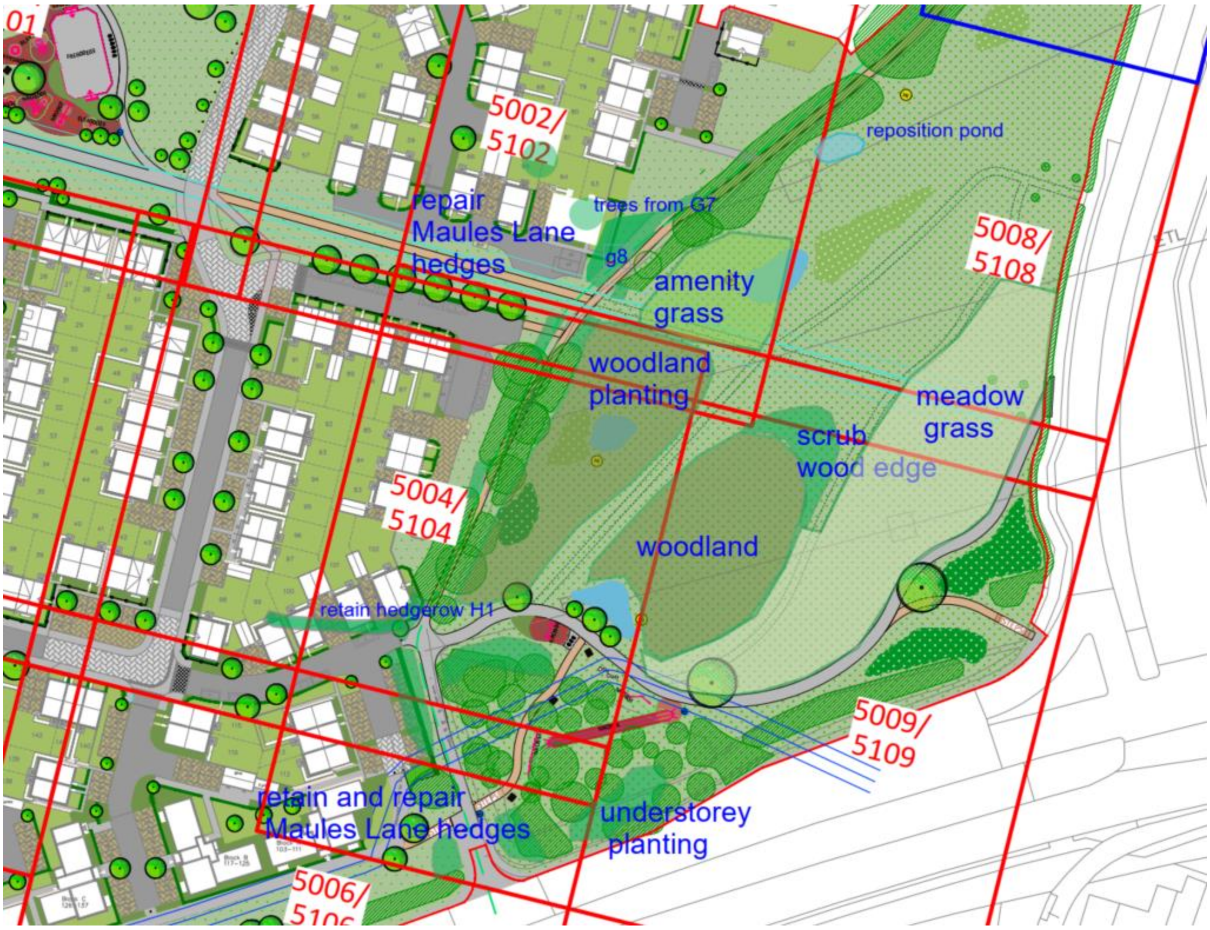
A couple of apples, an elder and a hawthorn in the grassland to the north of the play area should also be retained in order that some screening is provided between the existing houses and the play area.

The setting of the additional play features seems unsatisfactory. The woodland play area is very exposed to the noise from the ring road and the SGTL and there are issues with the current condition of the old plantation. I would recommend a more detailed arboricultural assessment of the remaining trees individually with consideration given to children's play in the vicinity.

The location of play close to the terminal tower has been improved by a better proportioned play space and the provision of some trees between it and the terminal tower. There would be benefits in planting additional native shrubs to the south of the terminal tower to reduces its visibility and link with the stream side vegetation which has been affected by construction works. The visual impact of the terminal tower is still substantial on the surrounding open space. I would suggest that the area of amenity grassland is increased around the play area. The proposed tussock grassland is inaccessible to casual users through the summer months containing prickly plants and a rough surface unsuitable for play or informal use. A margin of meadow grassland would be more appropriate adjoining play areas.



These play spaces are also at the outer edges of the development are therefore less appealing for unaccompanied visits by children.



Eastern Open space

The eastern open space doesn't offer sufficient structural woodland planting to re enforce the ridge line and break up the development areas in long views from the east. Additional woodland can be integrated with GCN habitat with scrub and long grass margins incorporated.

I would advocate for the area to offer more provision for informal recreation for residents with an area of meadow grass and amenity grassland in addition to the tussock grassland. Seating should be added to the top of the hill. There are several locations which would be suitable for the amenity grassland, from a users point of view the top of the hill close to Maules Lane would allow views and be furthest from the main roads. This might require some adjustment of the habitat elements of the GCN.

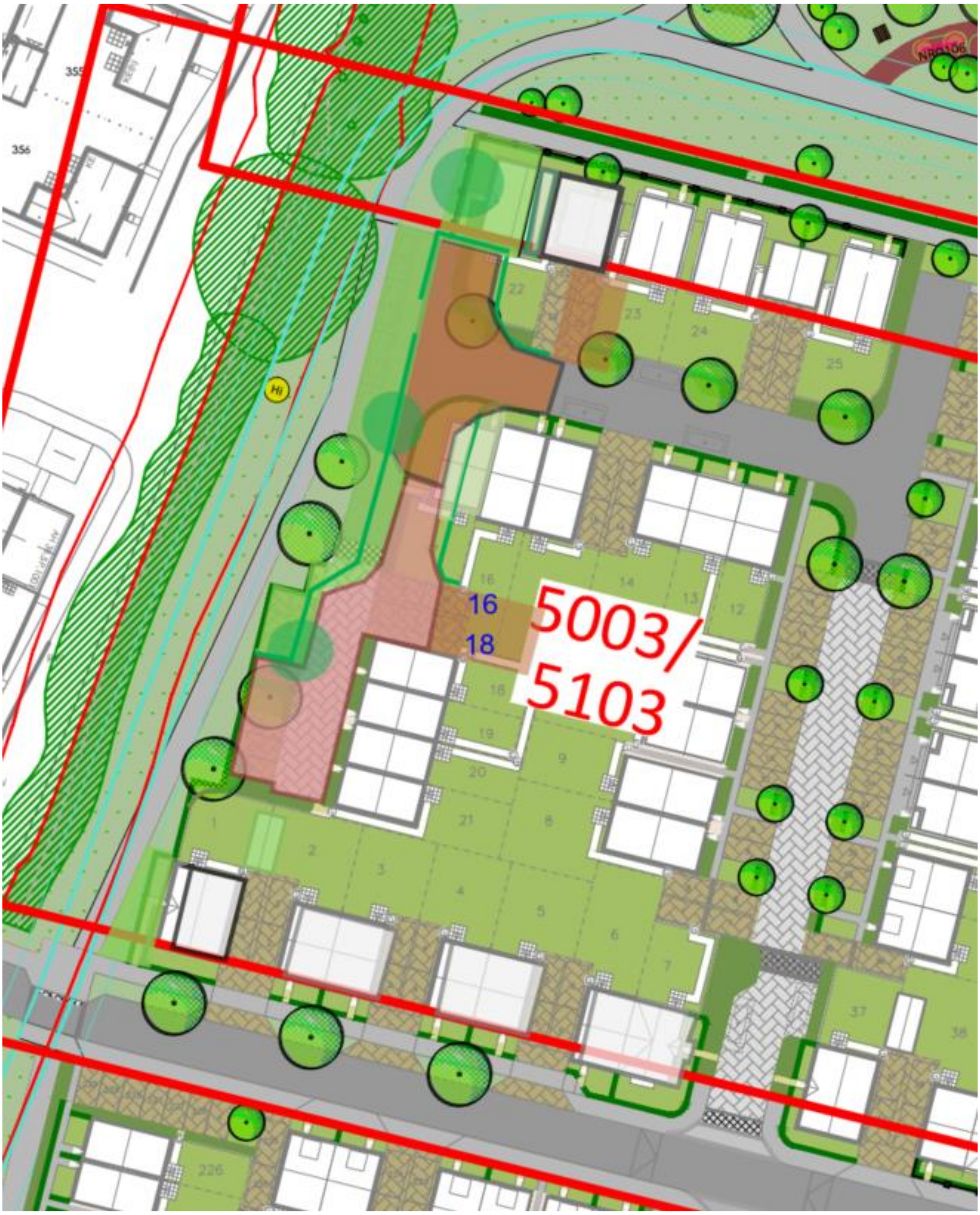
The remnant plantation area has been tipped with tree roots and topsoil along the line of the gap for water main. This looks a mess and will make the implementation of the proposed play provision expensive and difficult. The existing trees are at risk from damage from this treatment.

Ham Brook Corridor

The scheme remains very heavily dominated by surface car parking . The path alongside the Ham Brook which has been diverted from the west of the stream corridor due to levels constraints to the west does not have the quality, upgraded naturalistic setting to the route which had been promised.

The southern end of the Ham Brook corridor has lost it's streamside vegetation during construction and storage works and replanting is required.

Plot 1 intrudes onto the open space corridor. The unit should be set back from the route to allow good forward visibility along the Ham Brook corridor and reduce the visual dominance of the housing. The rear boundary should be curved to allow the corridor to be less constrained.

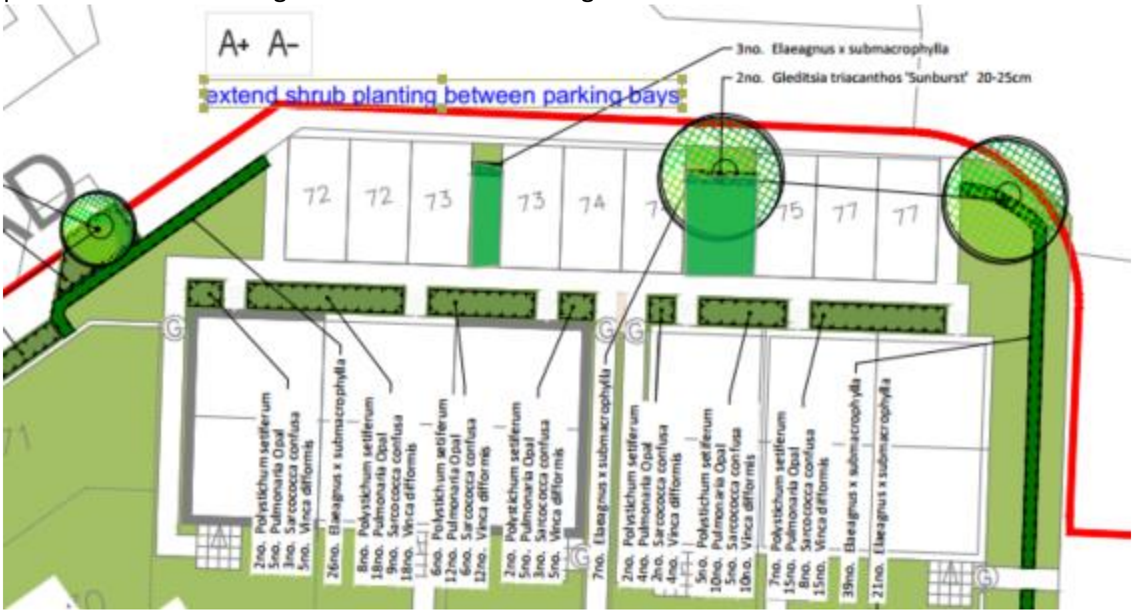


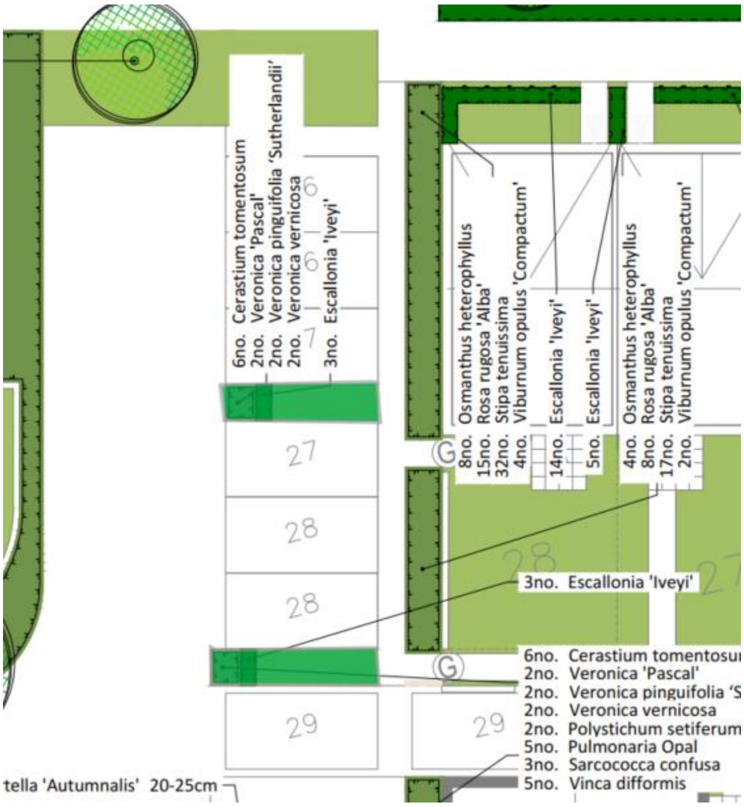
The route runs close to extensive car parking areas and alongside the road turning head. The development edge needs to be pulled back from the stream corridor to allow the setting of the path to be improved and a more naturalistic character provided. This is particularly important in the area around the retained grade A tree as this is where the ecological corridors link and the benefits of a larger area of open space around the tree would help its setting and appearance.

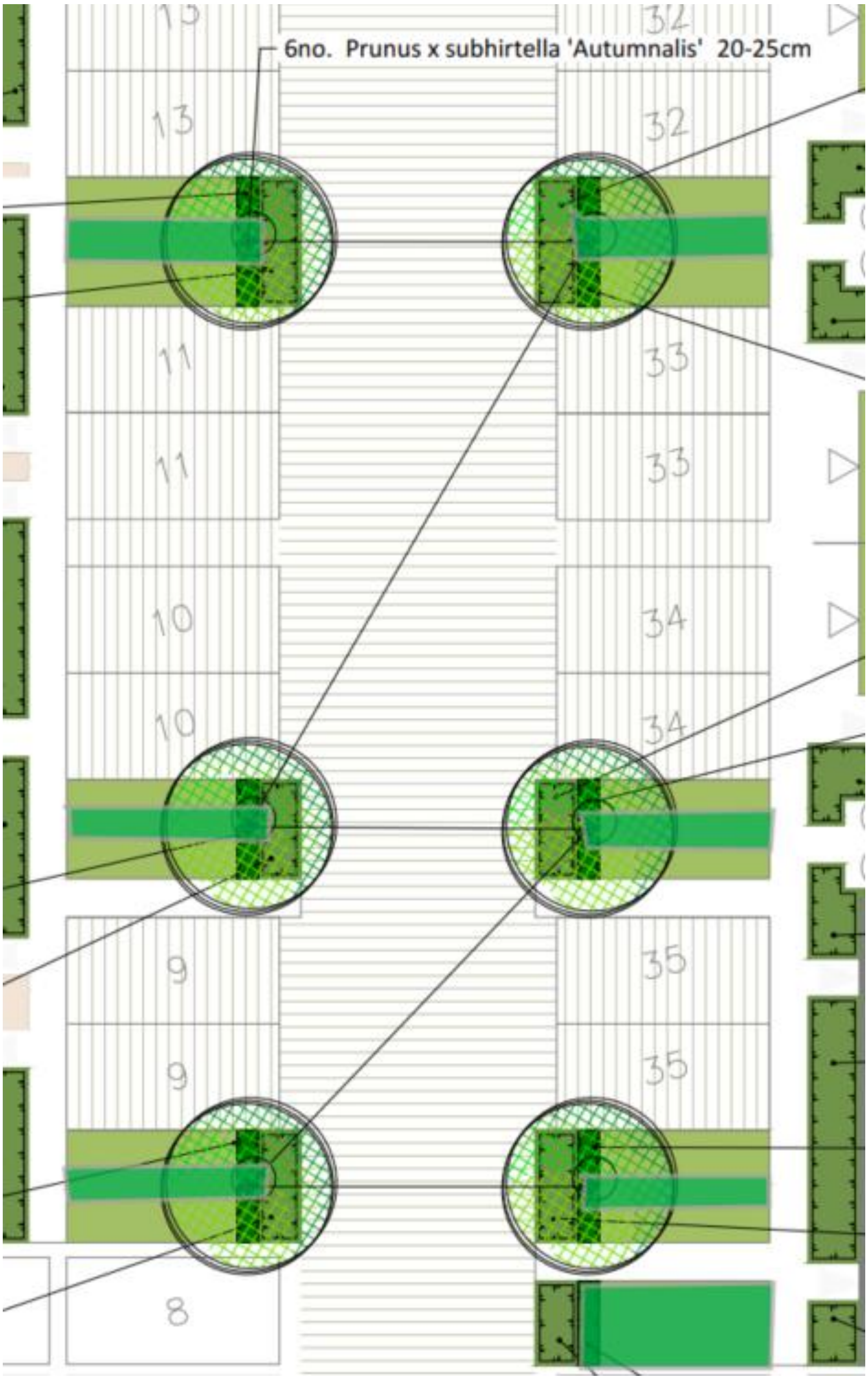
I would suggest the removal of garages to units 22/23 and the loss of unit 17 to allow these changes to be made. This still leaves a constraint around the parking for units 19-21.

Planting detail

Planting between parking bays needs to be shrubs / hedges rather than grass as grass is vulnerable to parking and is difficult to maintain. The planting needs to run parallel to the parking bays to provide some screening to the cars in views along the street.



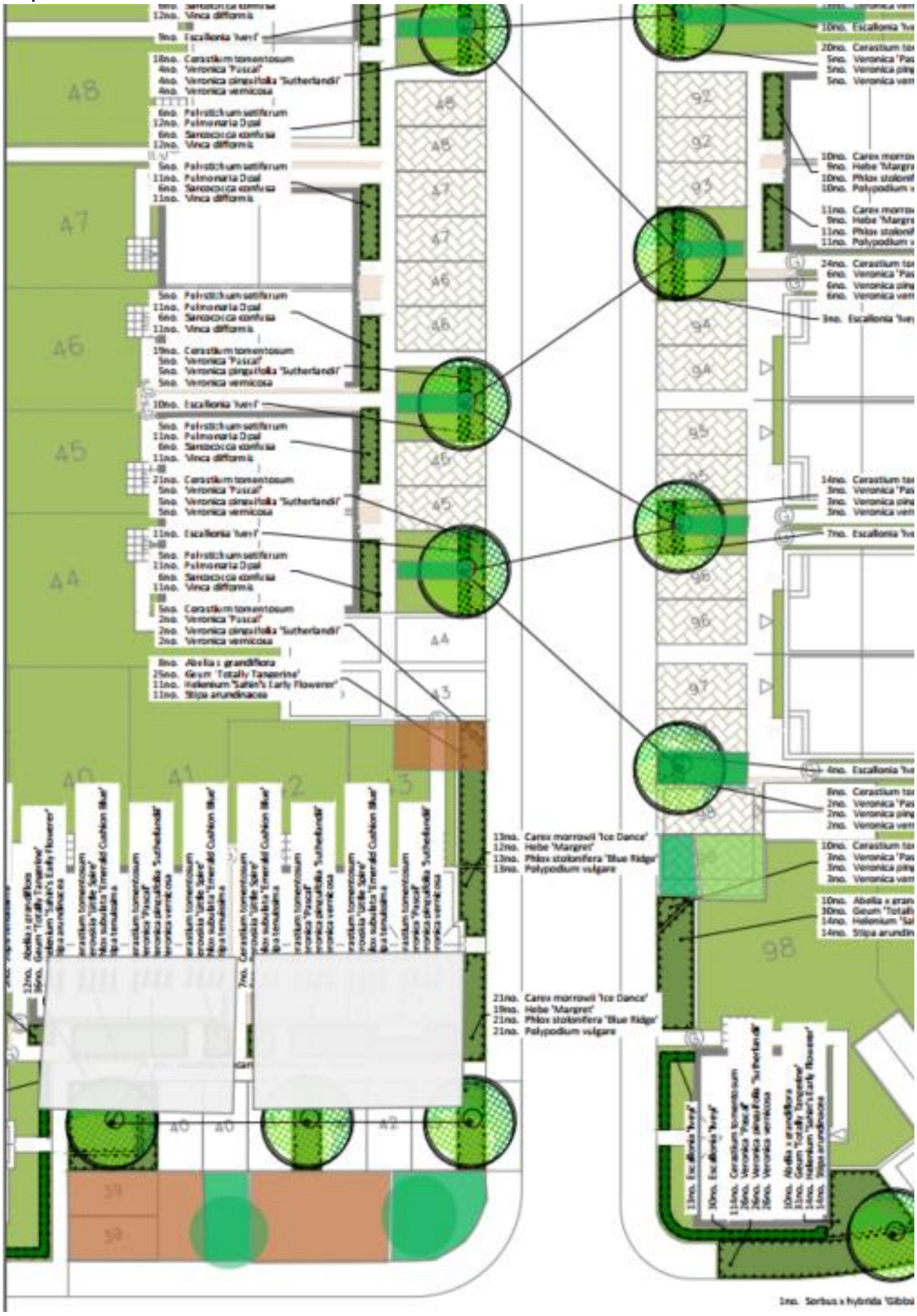

6no. Cerastium tomentosum
2no. Veronica 'Pascal'
2no. Veronica pinguifolia 'Sutherlandii'
2no. Veronica vernicosa
3no. Escallonia 'Iveyi'
8no. Osmanthus heterophyllus
15no. Rosa rugosa 'Alba'
32no. Stipa tenuissima
4no. Viburnum opulus 'Compactum'
14no. Escallonia 'Iveyi'
5no. Escallonia 'Iveyi'
4no. Osmanthus heterophyllus
8no. Rosa rugosa 'Alba'
17no. Stipa tenuissima
2no. Viburnum opulus 'Compactum'
3no. Escallonia 'Iveyi'
6no. Cerastium tomentosu
2no. Veronica 'Pascal'
2no. Veronica pinguifolia 'S
2no. Veronica vernicosa
2no. Polystichum setiferum
5no. Pulmonaria Opal
3no. Sarcococca confusa
5no. Vinca difformis
tella 'Autumnalis' 20-25cm
27
28
28
29
29



Many of the units have small gardens for family homes . A table needs to be provide which demonstrates that gardens are policy compliant.

‘Square’ features

The southernmost square is not a good solution. The set back of the building line retains the pavement to the edge of the road but with all the potential reversing manoeuvres over the pavement it will read as pedestrians being subservient to the cars. There is also a fair amount of wasted space as the hard surface is doubled from that required for parking. I don’t feel this space provides a good articulation of the street. Bringing the building line forward would be an improvement.



Tree T9 to the west of Maules Lane .

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Principal Recommendations

- Pull development back from pinch points with Maules Lane to ensure character is maintained.
- Repair and re enforce Maules Lane with replacement planting where necessary.
- Retain additional trees within the play area and open space, redesigning sewer runs , path location and play equipment in response.
- Provide amenity grassland in association with the eastern open space and play areas.
- Pull back development from Ham Brook corridor to improve the natural character of the route and ensure ecological corridor is more robust.
- Repair habitat along Ham Brook corridor and ensure continuity of planting for habitat linkages.
- Clear tipped material from plantation and re survey trees to inform play proposals.
- Increase woodland planting within eastern open space.
- Retain hedge 1, group G8 and two trees from G7 to reenforce Maules Lane corridor and amend layout to accommodate.
- Retain oak tree T27 and amend layout to accommodate.

SOUTH GLOUCESTERSHIRE COUNCIL, DEPT of ENVIRONMENT AND COMMUNITY SERVICES

LEAD LOCAL FLOOD AUTHORITY (DRAINAGE) COMMENTS / OBSERVATIONS ON PLANNING APPLICATIONS

Planning application: PT17/5847/RM

Matters appertaining to the consultee comments below from the Lead Local Flood Authority (LLFA) must be directed to the Planning Case Officer in the first instance, including queries regarding the discharge of conditions.

Surface Water Drainage

Having reviewed the submitted drainage design information for the site, I can confirm that the proposal is acceptable, and we have no queries to raise.

Construction Strategy and Construction Management Plans

We note the following sentence taken from the EIA Statement of Compliance.

2.48 - A Construction Strategy Plan and Construction Management Plan have been submitted as part of the Reserved Matters application, which includes details on how surface water runoff will be managed during the construction phase.

Having reviewed the submitted Construction Strategy Plan and Construction Management Plan, I cannot find any specific details in relation to how surface water runoff will be managed during the construction phase. As set out in the EIS Statement of Compliance it is imperative that when construction starts that the Ham Brook is protected at all times with no polluted waters / runoff being allowed to enter the watercourse.

Confirmation is sought on the plan to manage surface water runoff during the construction phase for Phase 6 and 7.

Scott Jones

***Drainage and Flood Risk Management Team* – (Engineering Group, Street Care)**

LeadLocalFloodAuthority@southglos.gov.uk

3rd of July 2023

Lucy Paffett

From: Lucy Paffett
Sent: 25 July 2023 08:47
To: Lucy Paffett
Subject: FW: PT17/5847/RM
Attachments: Adoption Plan Rev A 240723 HC.pdf

Hi Lucy,

The landscape masterplan is 1:1,000 rather than the 1:500 quoted.

Drainage plans do not match the other plans in terms of path layouts or planting. Any resubmitted plans must be co-ordinated and a composite landscape, drainage (including associated easements) and lighting plan should be provided.

There are very few areas where the grassland proposed is not tussocky for ecological purposes. There must be adequate amenity grassland, seating and bins to provide for the human residents of the development, including those who are not eligible to use play areas (unaccompanied adults, people with dogs, etc.)

They have submitted a POS & Landscape Strategy in which they seek to establish their compliance with the S106. They seem to think they are providing more play than the S106 requires over the whole of the site, but. Additionally, there are no firm plans yet for the play trail; this must be resolved now, so that we know exactly what are where the play trail items will be delivered. I am not currently content with the play proposals for this RM.

There is very little inclusive equipment and furniture, and there is very little for toddlers.

There is no seating (with arm and back rests) other than picnic benches. The picnic benches are standard, with no extended top for wheelchair users. There is no surfacing for a wheelchair user or buggies to access the picnic benches.

No details of size of bike stands for any of the play areas.

All the plans are listed as being “illustrative palette”, so it seems there is no assurance that they won’t come in later with a cheaper scheme. The actual details should be agreed now, rather than conditioned. I consider that a play provider/qualified play specialist should help design the play area to ensure that there are no issues that would fail post-installation inspections.

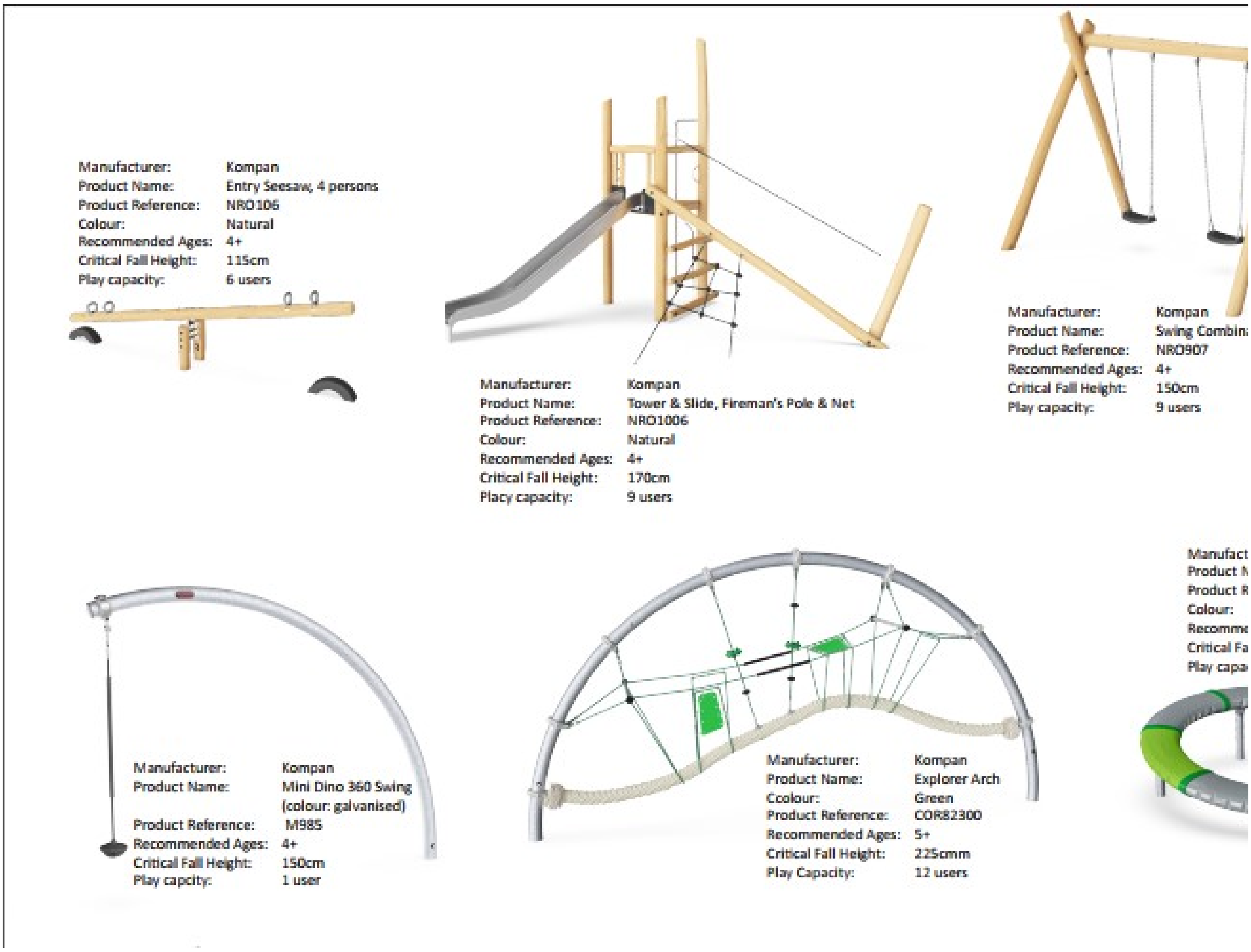
<u>NEAP/LEAP</u> – they consider this is 1,578sq.m. of play provision.
At just 20m, the distance between the NEAP and the dwelling boundaries already breaches the recommended minimum separation distances. Cross-sections should be provided that show the relationship with adjacent housing.

The Landscape Architect wishes to retain additional trees if possible. This necessitates more survey work to be undertaken to ascertain the suitability of the trees Rachel would like to see retained, re-routing of the drainage runs and paths, and amendments to the extent of the ecological corridor to create more space for play equipment.

Play equipment is shown, between S40 and S41, on top of pipeline. This is not ideal at all. The drainage should be re-routed south of the undergrounded pylon if possible to keep it away from the play area. If it cannot be re-routed, they need to prove that there is adequate depth above the pipeline to accommodate the foundations required for the equipment.

The bike stands for the NEAP are on a proposed footway, rather than a ped/cycle path. Is 2m considered wide enough for an adopted path that will be used by pedestrians and cycles?

There are some good Kompan items here but for a NEAP of 1,578sq.m., I think it should have more equipment and more inclusive items of equipment. Much of it is aimed at the LEAP age range e.g. the mini dyno swing is proposed instead of the dyno swing. A twin flat swing and nest swing combo is proposed but no cradle swings for toddlers.

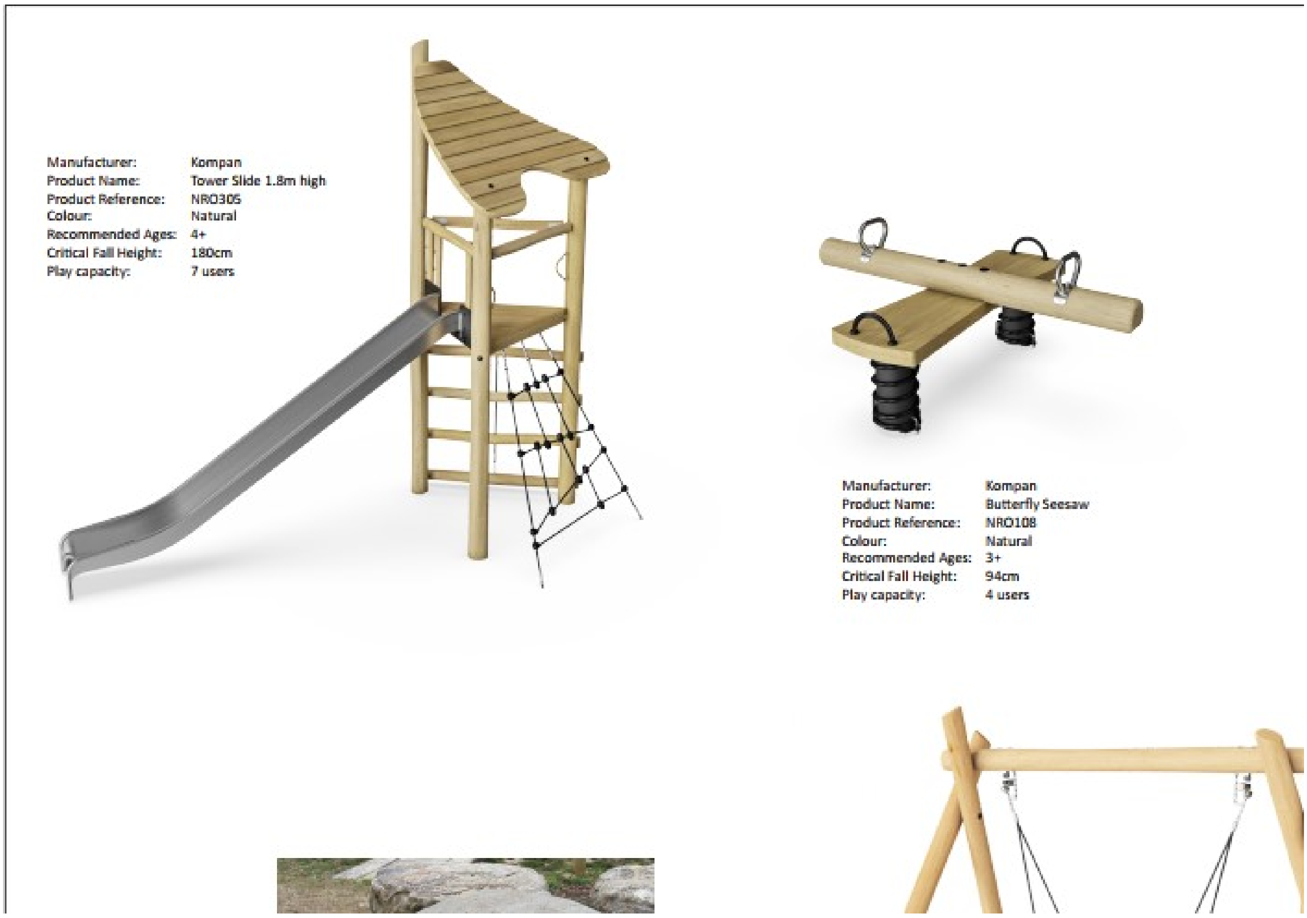


Within the NEAP is a large yew tree. I would not permit planting of a new yew in a play area due to the toxicity of the leaves, bark and seeds. Planting is proposed under the yew tree, all within the rpa in the NEAP. I am keen to prevent access to the yew tree but not sure the best way to do this, but I don't think that planting 2,488 plants under it is the way forward due to the disturbance to the surface roots. Taxus is allelopathic - it inhibits growth of other plants.

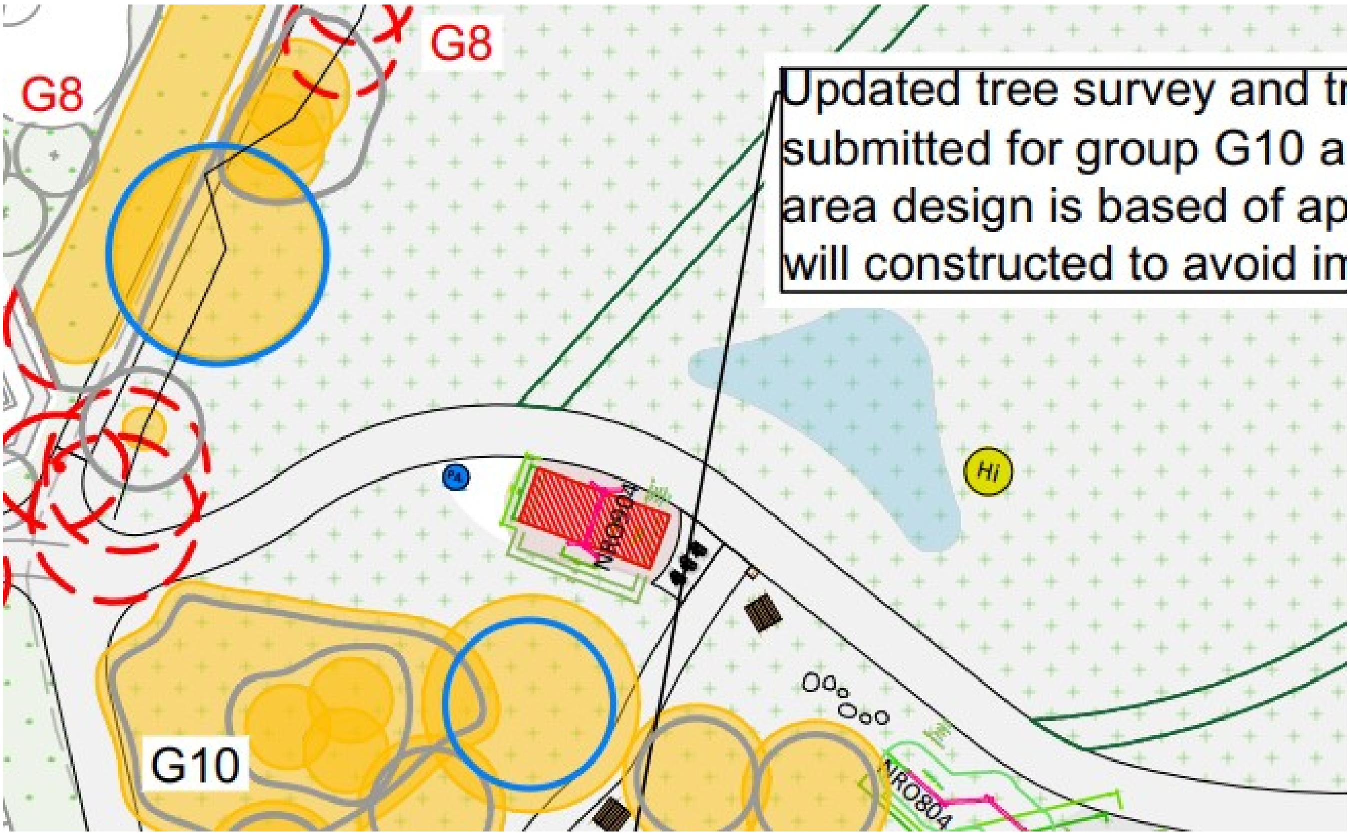
Southern LEAP – they consider this to be worth 659sq.m. of play. It is meant to be the activity zone of a play area that counts towards the policy provision. Four items of equipment, a few boulders and does not equate to 659sq.m. of provision. Comments re. seating and inclusivity raised for the NEAP apply here too.

It is bounded on two sides by a pedestrian/cycle path. No enclosure (which excludes dogs) is proposed other than two sections of hornbeam hedge.

Some small beds (smaller than the size of a picnic table) of herbaceous, herbs and ornamental grasses are proposed. They are of domestic scale rather than landscape. These are unlikely to thrive.



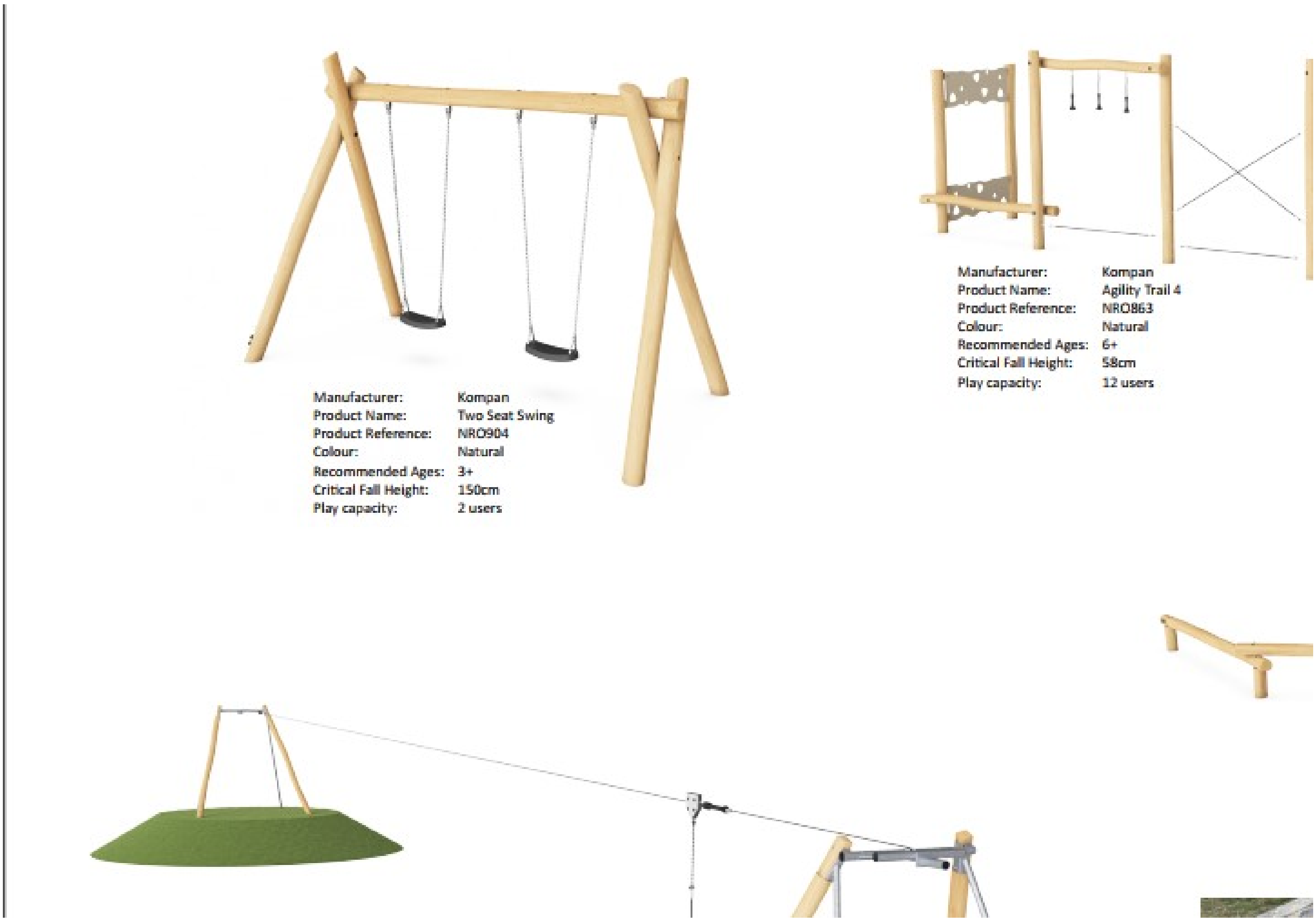
<u>Eastern LEAP/woodland adventure play</u> – they consider this to be 1,456sq.m. worth of play provision. I do not consider a set of twin flat swings, a cableway, balance beams and an agility trail to provide 1,456sq.m. of play provision. Similar to the other play areas, I do not consider the use of standard picnic tables, with no surfacing to and beneath them, to provide adequate seating arrangements; nor is it inclusive. Wording on the AMS Tree Retention and Removal Plan is as follows:



More assessment of this area is required at this stage to ascertain what is worthy of retention, and how a play area can be fitted in here without free space requirements for equipment being encroached upon by trees. I have already expressed my reservations about lack of passive surveillance, proximity to the ring road, ambient lighting, etc. The

provision does not account for 1,456sq.m. of inclusive play provision, particularly when the proposal is for tussocky grassland for the entire area other than the surfacing for the swings and the cableway, and one landscaped bed of herbaceous planting. The balance/trail equipment should also have surfacing. Despite the fact they do not require if from a fall height perspective, it helps prevent erosion and keep equipment usable in wet conditions. There needs to be more amenity grass; one cannot expect people to walk through tussocky grassland to access the equipment. Aside from the fact it will be long (and often wet) it can harbour broken glass and sharps as well as dog muck, etc.
It has been subjected to dumping of removed hedge arisings; this should be removed; it overburdens trees currently proposed for retention:

Bound rubber mulch is proposed for the cableway. Although this would apparently not fail a post-installation inspection, the Council's Play Area Manager considers there is a risk that if a child sticks their feet down suddenly, the rapid stop that can be achieved with rubber mulch can mean that the feet stop but the body continues, giving rise to the potential for bone fracture. Rubber grass matting may be more appropriate. Additionally, the scheme as currently shown does not provide assurance that the free space will not be breached by trees.



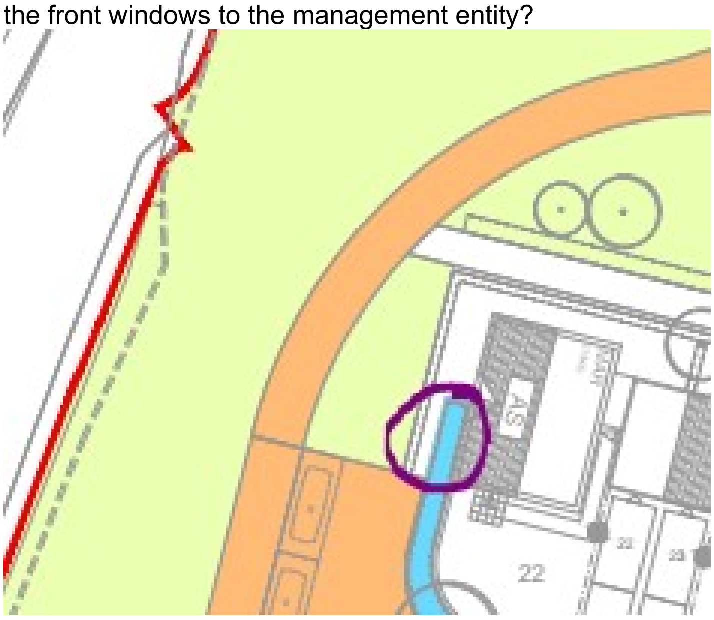
Adoption Plan – please see pdf with my comments on it, entitled Adoption Plan rev A 240723 HC – please note I have identified a number of issues but have not trawled for every single instance of these:
Would highways be content to adopt all the paths shown as highway?

Some paths have no proposed status at all? Why? Who is proposed to own/manage those and would unrestricted rights of access be granted over them for the public?

Would they all be lit?

Does this present conflict with ecological requirements?

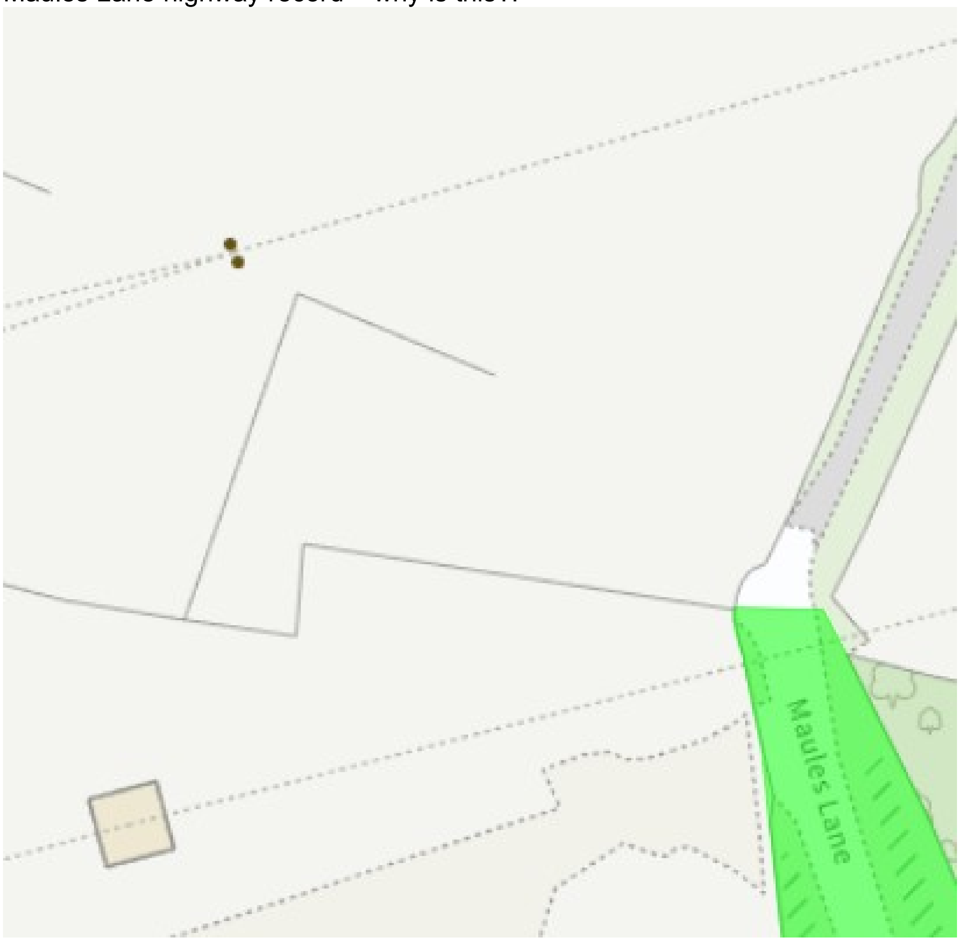
Areas such as that shown below should be conveyed to the plot. Why would one convey the land immediately outside the front windows to the management entity?



Why should areas such as those behind hedges be classed as verge and paid for by residents? They will read, visually, as private:

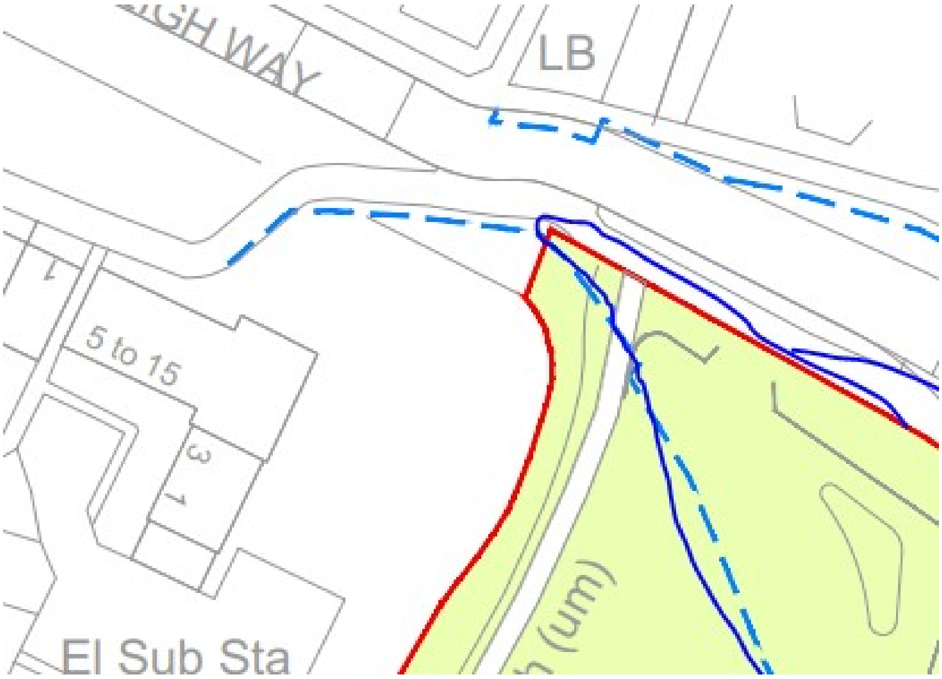
It looks like a small section of Maules Lane would have no status. It is not adopted (unless electronic highway record is incorrect) and it is not proposed to have any status under the Adoption Plan. It also appears that a lot of land with a highway status is shown as POS on the Adoption Plan

Maules Lane highway record – why is this?:

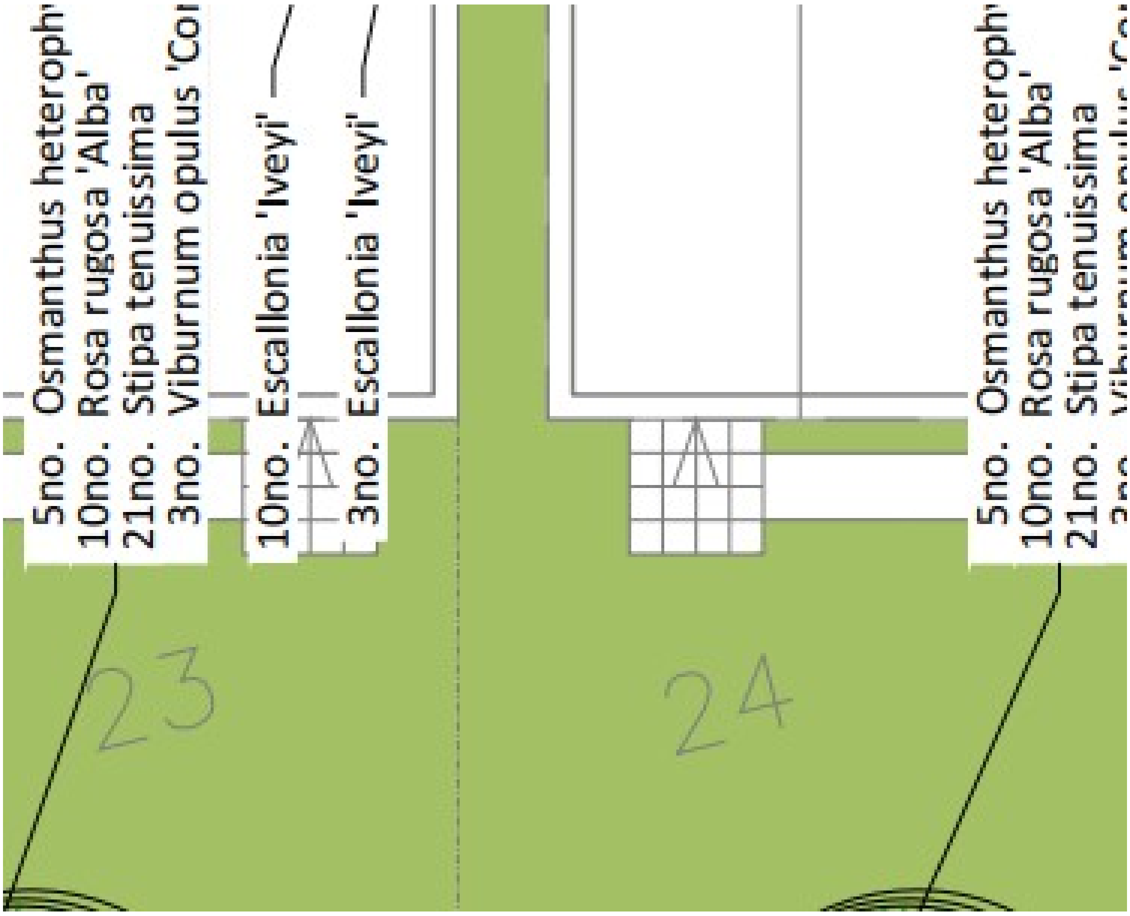


Extract of Adoption Plan (Crest's blue dotted line seems to tally with the highway record):

Similarly at Oxleigh Way – land cannot have both POS and highway status. If it is to remain as highway, it could be maintained under licence by the dev:



<u>Tree pits</u>
Less than 8sq.m. space for the tree and 40 shrubs. C.7.2cu.m. for this tree – not enough:


5no. Osmanthus heteroph
10no. Rosa rugosa 'Alba'
21no. Stipa tenuissima
3no. Viburnum opulus 'Co
10no. Escallonia 'Iveyi'
3no. Escallonia 'Iveyi'
23
24
5no. Osmanthus heteroph
10no. Rosa rugosa 'Alba'
21no. Stipa tenuissima

How to use this guide

Indexed alphabetically, more than 80 tree sp
corresponding recommended soil volumes. All of
been placed into the classes below. For species n
generalized target soil volume has also been provi

Small Tree

(3m / 10 ft Canopy Diameter): 5½m

Small to Medium Tree

(4½ m / 15 ft Canopy Diameter): 10

Medium Tree

I have not been through the (41 page) LMMP in great detail but it is not adequate in terms of play inspections - it needs routine, operational and annual inspections all mentioned, and staff should have the appropriate level of RPII accreditation – this is the only way one can be assured the knowledge is up to date and proven (tested). Inadequate in terms of removal of litter, sharps, broken glass, graffiti. Sharps, broken glass and offensive graffiti should be removed by the end of the next working day if reported and on the day if found by operatives. Litter collection is listed for play areas (para 9.22 a.) as being every 7 – 14 days At 16.3 on the table it states litter collection will be fortnightly. However at 9.16 litter collection is listed as being on a weekly basis. The play areas should be inspected at least weekly (at which point litter should be collected) and more frequently if the play areas are heavily used or prone to vandalism.

Regards,
Heather

South Gloucestershire Council

Memorandum to: Lucy Paffett
from: Dan Jones
Urban Design Officer
Cc:
Date: 22nd June 23
Your Reference: PT17/5847/RM
Our Reference:
Telephone: 01454 863738
Facsimile: 01454 865173
Internet: dan.jones@southglos.gov.uk

Site Ref: PT17/5847/RM: Erection of 263 no. dwellings on Phase 6&7 at Harry Stoke 1 (pursuant to permission PT06/1001/O).

Key Planning Policies (Design).

NPPF (July21) – Design (para 126-136)

South Gloucestershire Core Strategy (Dec 13)
- CS1: High Quality Design
- CS25: Communities of the North Fringe of the Bristol Urban Area
- CS27: East of Harry Stoke New Neighbourhood

NPPG – Design
National Design Guide (NDG)
National Model Design Code (NMDC)
Building for a Healthy Life (BfHL)

South Gloucestershire Policies, Sites & Places DPD
- PSP1: Local Distinctiveness
- PSP6: Onsite Renewable & Low Carbon Energy
- PSP43: Private Amenity Space Standards

Harry Stoke Design Codes (2012)

<u>Comments</u>

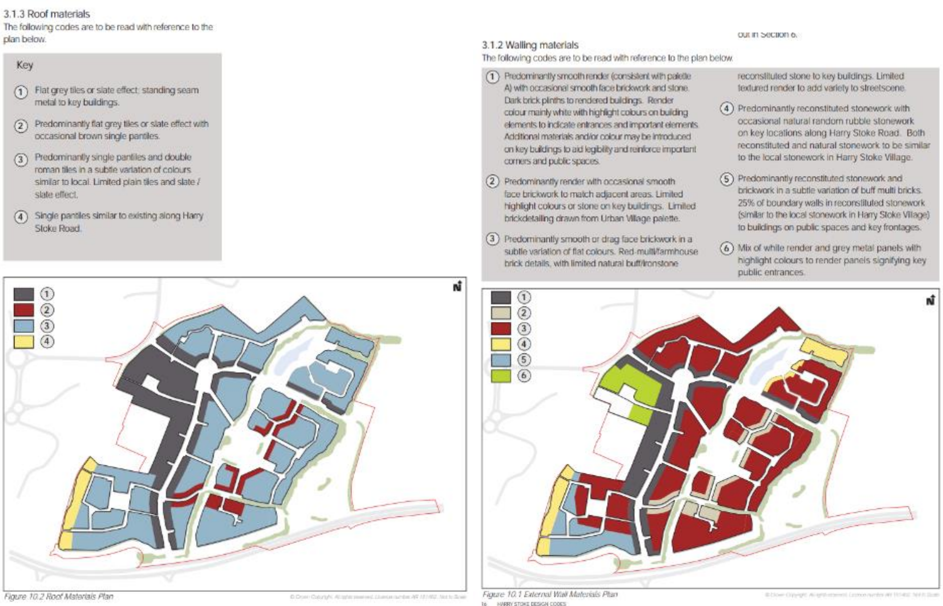
The NDG was published in 2019. The NPPF (July 2021) states that '*the creation of high quality, beautiful & sustainable buildings and places is fundamental to what the planning annd development process should achieve'* (para 126). At para 134 clearly raises the bar in stating that, '*development that is not well designed should be refused, especially where is fails to reflect local design policies and government guidance on design* (the NDG & NMDC)…'. Para 133 also refers to assessment frameworks such as BfHL to help assess schemes.

The Harry Stoke Design Codes were produced in 2012 and much has changed since, not least the approval of outline consent for the East of Harry Stoke New Neighbourhood. This represents a significant change of context as this site is no longer settlement edge, where a lower density and intensity of development would be expected. The EoHSNN also proposes it's new district centre just the other side of the Stoke Gifford Transport Link (SGTL), comprising buildings of predominantly 4 storey, but up to 10 at a landmark building. A series of 3-4 storey apartment blocks are also proposed along the ring road frontage. As such it is proposed and considered acceptable that this phase of development should follow this pattern of built form, as has also been the case on land to the west on phases 2-5, along the ring road edge. The remainder of the codes though remain relevant as they were informed by a context a character appraisal.

Key Issues

1. High quality materials must be specified. Materials are critical to the distinctiveness, character & appearance and quality of a scheme and therefore quality cannot be demonstrated without the specification of actual products.
2. The design codes are still relevant, particularly at the interface with phase 1. Phase 1 broadly followed the 'Urban Village' principles, with red brick and render homes, displaying pitched canopies, quoining detailing to windows, occassional chimneys, traditionally styled doors etc. The approach in phase 1 has worked quite well, with traditional detailing being worked into dwellings in a crisp modern way. Plots 77-70, 61&62 should certainly be carefully designed to provide a coherent street with the phase 1 dwellings (same styling and materials). This approach should be continued to the units fronting the NEAP (53-57, 22-26 & 51/52).
3. The codes also promote predominantly render along the main spine road through this phase. I see no reason why this approach shouldn't be followed, maybe with a cluster of red brick and 'urban village' detailing around the secondary square (plots 38-43, 98, 115&116, & 140-142).

Phase 1: Red brick & render with traditional detailing.



Harry Stoke Design Codes

4. You will note that the codes introduce some buff brick to the southwest corner of Phase 2-5, which is consequently introduced into the approved apartments in this location. Buff is also used around

the main square and along the spine road. I thus could similarly contemplate its use along the southern edge of this phase, but do not agree with its rather random introduction elsewhere.

5. The gable fronted theme around the NEAP is rather undermined by the unnessasarily complex roof design to plots 28-51, & 53/54. Simple front to back ridge with valleys would provide a cleaner and more effective approach. Plots 22, 51, 57 & 53 should front the NEAP too.
6. With the retention of the pylon across the southern end of Phase 2-5 and consequential replan/moving back of the buildline, Block F will become a key landmark building and should be considered as such in its design. A much stronger, distinct corner element should be considered. In terms of the apartment blocks generally, they are somewhat ‘flat’ both in the skyline and elevationally. Some variation of the parapet height between the buff elements and recessed (blue brick) could perhaps be tested. I also note, there are a lot of large southern facing windows. I wonder if overheating could be a problem. Is there a need for some brise soleil to reduce sun glare into apartments? Do all the windows need to be full height? Will the blue brick elements/wings also be susceptable to overheating due to the colour/extent? Would a more subtle change in materials work equally to create a little variation in the massing? Window reveal depths are important and should also be stated; minimum 100mm to ensure a high quality appearance. Recessing the decorative panel or similar would also enliven the elevation (see below examples – the brown block is at at Brabazon, Filton Airfield). I also think there is a tension between the strong horizontal emphasis of the asymetrical blocks themselves, combined with the decorative panels and stone band courses and the vertical emphasis of the fenestration. Using a different fenestration design to work with the horizontal emphasis or reviewing the other details to express the verticality of the windows may help. I would finally query whether roof plant and solar panels will be visible?

7. I note the 3 storey Oxfords used rather randomly within the scheme. These are not code compliant. The code allows for the use of 3 storey housetypes around the NEAP. Elsewhere should be 2 storey, notwithsatanding the changed approach to the southern end of the site. I could though contemplate use of some 3 storey where there is a clear rationale, e.g: plots 112-114 adjacent the flats and providing good overlooking into the woodland play area, or plots 145-147 providing a transition in scale to the 4 storey apartment block etc.
8. More robust planting (hedge) and upstand kerb should be provided between all the frontage perpendicular parking bays to reduce the impact of parked vehicles. A similar detail is included in the Crest EoHS phase 1 submission.

9. The replacement hedge along the south side of the NEAP and linear open space could perhaps be shifted north a little away from the footpaths to give it more room to breath and so it doesn't have to be maintained so harshly. Similarly with the hedge along the northern side of the NEAP. The hedge and the of row of trees to the front of plots 86-91 could perhaps swop places. These hedges will need to be maintained to no higher than 1.2m so as to enable surveillance into the spaces from the dwellings but they could be allowed or even planted to provide for a wider, nore natural final outcome.

Other

- Omit the block paving from the footpath in front of plots 55-57 / adjacent the NEAP, as this is not shared space and not required.
- Block pave visitor bays on cul-de-sac serving plots 12-22 (and in other similar shared spaces) to reduce the extent of tarmac.
- There appears to be a little inconsistency in the use of the block 'Silver Haze stretcher bond' to create a clear threshold into some shared space and courtyards but not others. This should be reviewed, to create clear thresholds into both shared space streets and private parking courts.
- Brick screen wall should be used to the rear of plots 229, 225-221, to provide a high quality finish to the parking court.
- Estate railing should be returned to the front of buildings and gates should also be provided to ensure a high quality finish. Plots 140-142 should also be provided with railings to provide a consistent approach around this space.
- The walls and gates between the apt blocks should be carefully considered and provide an opportunity for the introduction of some interest/delight. A standard wall; 1.8m and timber garden gate would be a rather low quality detail that undermines the public realm. Details should be provided.
- A combined drainage, streetlight and landscape plan should be produced and checked for conflicts before submission.
- An energy statement should be provided.

Conclusion

Objection. The approved Design Codes should not be set aside completely. The scheme needs to continue the appearance principles set in Phase 1, so it is not such an abrupt change of style. Streets and key spaces should be considered as subtlely distinctive and coherent places to avoid the tedious variety typical of some developer schemes. The use of buff brick should be reduced to the southern edge only. Three storey housing should be used to bring emphasis to key spaces and transition to the 4 storey apartments, not just plonked in the scheme. The apartment blocks require further thought given their prominent location. Other details need further consideration and clarification as set out above.

Dan Jones
Principal Planning Officer – Urban Design

Land North of The Railway, East of Harry Stoke (ref. 0135bb)

- Urban Design officer (August 2023)
- National Highways (August 2023)
- Drainage Team (August 2023)
- Highways Team comments (January 2023)
- Landscape officer response (January 2023)
- Public open space officer (August 2023)

South Gloucestershire Council

Memorandum to: Lucy Paffett
from: Dan Jones
Urban Design Officer

Cc:

Date: 16th Aug 2023

Your Reference: P22/07094/RM – AMENDED PLANS
Our Reference:
Telephone: 01454 863738
Facsimile: 01454 865173
Internet: dan.jones@southglos.gov.uk

Site Ref: P22/07094/RM - Erection of 162no. dwelling with highways, drainage and associated works with appearance, landscaping, layout, and scale to be determined. (Approval of Reserved Matters to be read in conjunction with outline permission P21/06474/RVC (previously PT16/4928/O)). Land North of The Railway, East Of Harry Stoke New Neighbourhood.

Key Planning Policies (Design).

NPPF – Design (para's 126 & 130-135)

South Gloucestershire Core Strategy (Dec 13)
- CS1: High Quality Design
- CS17: Housing Diversity
- CS25: Communities of the North Fringe of Bristol
- CS27: East of Harry Stoke New Neighbourhood

East of Harry Stoke SPD (2015)
P16/4928/O – DAS (Nov18)

NPPG – Design
National Design Guide (2019)

South Gloucestershire Policies, Sites & Places DPD (2017)
- PSP1: Local Distinctiveness
- PSP6: Onsite Renewable & Low Carbon Energy

COMMENTS RE AMENDED PLANS IN BLUE TYPE

Policy & Design Parameters
NPPF para 130 states that: Planning policies and decisions should ensure that developments:
a) will function well and add to the overall quality of the area, not just for the short term but over the lifetime of the development;
b) are visually attractive as a result of good architecture, layout and appropriate and effective landscaping;
c) are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities);
d) establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit;
e) optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and
f) create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.

Para 131 promotes tree lined streets, and para 134 states that, 'development that is not well designed should be refused, especially where it fails to reflect local design policies and government guidance on design, taking into account any local design guidance and supplementary planning documents such as design guides and codes'.

The site has the benefit of outline consent granted in 2019 (PT16/04298/O). Condition 6 requires reserved matters to be in accordance with the parameter plans, the principles and parameters set out in the DAS (Nov 2018).

Since the original permission the National Design Guide has been published which raises design expectations nationally. The NPPF also now includes references to achieving 'beautiful' buildings and places and meeting expectations set out in Building for a Healthy Life.

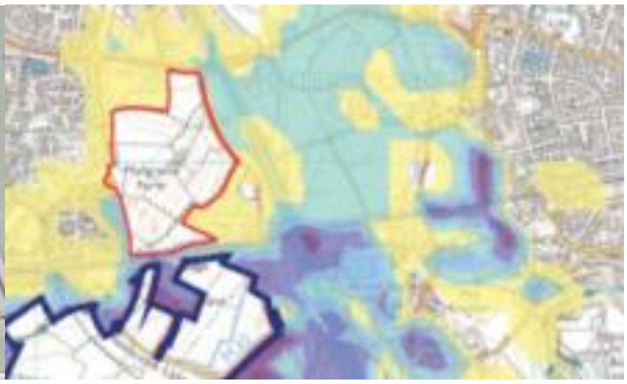
Policy CS1 of the Core Strategy require that the highest possible standards of design and site planning are achieved, siting, form, scale, height, colour and materials, are informed by, respect and enhance the character, distinctiveness and amenity of both the site and its context and density and overall layout is well integrated with existing adjacent development and connected to the wider network of foot, cycle and public transport links...

Policy CS25 states that, 'where new neighbourhoods are located at key transit points into the North Bristol Fringe or can be seen from major arterial routes, high quality distinctive, landmark architecture and landscaping will be achieved'. This is one such location.

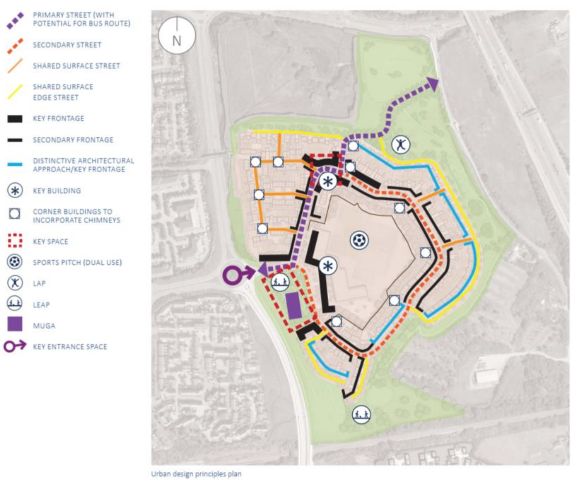
Policy CS27 requires that special attention will be required to layout, building form, scale and roofscape, architectural treatment, and landscaping along ridgelines and slopes visible from the wider area. This is one such location.

<u>Design & Access Statement</u>

DAS (Nov 2018, pg15) – Strategic Masterplan – orange line indicates 'Key Development Frontage'



VIA Zones of Influence (DAS pg21) – shows visibility of site from Winterbourne edge & railway. Darker colours are higher visibility.



DAS (Pg92) – Mulgrove Character Area.
Blue lines indicate need for 'Distinctive Architectural Approach/Key Frontage'

DAS design principles on pg99 describe and illustrate 3 storey gable fronted houses, '*generally semi-detached…creating a continuous rhythmic frontage*'. Pg 111 & 112, re secondary and shared space streets, require '*large trees to be used to create avenues'*, and '*tree lined streets consistent with the rest of the development'*. The illustrative master plan (below) thus clearly incorporates a strong rhythm of development along the eastern perimeter and tree lined streets:

Illustrative Masterplan

Connections

DAS Access & Movement Parameter Plan (Pg86)

Landscape Strategy Plan (P21/06474/RVC)

DAS Secondary & Shared Surface Street principles (pg103)

The street principles emphasise the intention to locate parking predominantly to the sides of dwellings and the Ecological strategy (pg117 DAS) requires 2-5m wide verges along the secondary roads to be planted with meadow mix.

<u>Comments</u>

1. Plans should be provided in context, i.e. the layout plan should show the approved Landscape Masterplan and resi layout (P20/03681/F), the as-built topo should be provided and FFLs should show plots on the adjoining phase. Layout and other plans now provided in context. FFLs of adjoining site though not provided.

   The plans show offsite works; drainage infrastructure, new steps and paths, maintenance strip within the school embankment & retaining walls in the self-build plots. Changes to approved plans should be clearly set out on a plan. Some thought and clarification is then required as to the extent of the red-line boundary, and/or the mechanism for determination of these works.

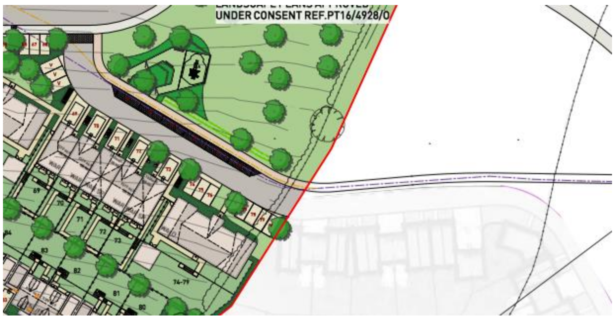
   Re the self-build plots it must be absolutely explicit that any terracing (RWs) will be provided by WH. Steps should also be provided between levels.

   Re the maintenance strip in the school embankment, presumably this will need to be level, so has implications for retaining the toe of the embankment. It would also need confirmation from the LEA that this is acceptable.

   Re the offsite connections, I note that the proposed Safe Routes to School conflict with proposed compound and soil storage mounds. It should be noted that these SRTS have triggers (50^{th} & 100^{th} dwellings) in the s106 Highway Infrastructure Schedule. The Execution Plan and the s106 should be checked so that they can be delivered in accordance with the triggers.

Connections & Streets

2. The eastern most road around the key frontage is supposed to be a shared space 'edge street' (see above). It does not require a footpath along its entirety. I have attached some new guidelines agreed with highways and streetcare colleagues. This edge street should be designed accordingly. The footpath in front of plots 69-79 on phase 1 should spur off to the east (see below). Clarification from PROW and landscape officers is required re surfacing.



The footpath is now shown as requested. The ‘edge street’ is now shared space. Shared space should typically be 50% block paving, hot rolled asphalt with a colour chip and conservation kerbs. Block should be avoided on corners where possible. Further block should therefore be added to these streets and materials clarified.

3. The Access & Movement Parameter Plan and Hybrid Landscape master plan show a ‘safe route to school’ connecting into the scheme (see plans above) somewhere in the vicinity of plots 139 and 74 respectively. These connections must be shown and designed with care. Similarly, the Landscape Master Plan shows steps connecting down the embankment in the vicinity of the proposed pumping station and plot 39 respectively. Again, these connections should be shown. In each case the ‘landing’ onto the shared space should be considered carefully, with clear threshold onto the highway and appropriate traffic calming features. Now shown. I defer to highway colleagues otherwise. See comments above re these connections and the shared space streets.

4. The DAS is clear (pg103 & 111), that the secondary street (serving plots 1-60), front gardens should generally be 3m wide and parking should be provided to the sides of dwellings. This would allow for a 2m-5m verge (in meadow grass) and street trees. Currently the street is dominated by frontage parking which then precludes the ability to provide the verge and trees and compromises the street scene. Indeed, just a lot more tarmac has been created that will inevitably be parked on. Amended as requested.

5. The Shared Space street parameters allows for ‘*some* allocated parking in groupings…to the fronts of terraces interspersed with trees’, but parking should *generally* be to the sides of dwellings. In this case also there are too many instances of detached and semi-detached units with frontage parking leading to poor street scene. Amended as requested.

6. The preponderance of frontage parking is also compromising rear gardens and probably leading to many more otherwise unnecessarily high retaining structures in back gardens. Amended as requested.

7. The street scenes and landscape are also compromised by other clutter, notably the parking to the front of plots 135-138 (the road should connect through) amended, the projecting pumping station removed, garages to the side & rear of plots 74 side garage removed, bike or bin store adjacent apt block 61-66 and a sub-station to side of plot 149 not amended. Garages and parking etc should be designed out of these very prominent locations.

   I would like to see the parking court and apt block (61-66) swop position, as this is a prominent position and will be highly visible from the adjacent Stoke Gifford Transport Link (SGTL). The apt block will also be afforded better views south.

8. The soft landscape also ignores the DAS principles in not providing the hedges to the street edge so creating defensible space/front gardens. This should be amended as per the main street through Phase 1. This principle seems have been ignored. Landscape plans need amending in accordance with the coding (see extracts above). Planting between perpendicular bays should also be dense and robust, i.e. hedging protected by an upstand kerb. See image below from the National Design Guide. A detail should be provided and executed accordingly. Extract from phase 1 showing hedges to street edge and returned to buildings. Please amend this phase accordingly.

Appearance

9. The site is highly visible from the east and south. The DAS is clear that these edges require a distinctive architectural approach. DAS principles on pg99 describe and illustrate 3 storey gable fronted houses, 'generally semi-detached…creating *a continuous rhythmic frontage'*. This is shown on the illustrative master plan. The current proposals ignore this requirement and break down into the usual tedious variety of housetypes. Great effort was expended in devising the the distinct architectural form and aesthetic of Warrens and the Waldron on phase 1 to respond appropriately to this requirement. It is thus disappointing and unacceptable that this approach hasn't been carried through and applied to other housetypes to meet the clear requirement of the DAS along this edge.

10. I can see no real response to other key plots, i.e. those that are in highly prominent locations such as plots 74, 75 & 76, 49/50 & 87.

    The proposals have vastly improved and now considered acceptable.

Other

11. I note a number of retaining walls in the presumed self-build plots. SB plots should be provided unencumbered by such features or requirements. I therefore query if there is a more appropriate location for these plots? No change. The red line boundary needs to extend over the SB plots so these engineering works are part of the permission. If these plots are to remain for self-build level platforms and steps between terraces etc should also be provided. SB plots need to be serviceable, accessible and buildable without excessive preparation costs.
12. I would query the need for the visitor bays to the front of block 150-155. Perpendicular visitor bays like this are not usually effective as they appear allocated to the block itself. Removed.
13. I note a large retaining wall has emerged at the southern point of the parcel, where previously steps were taken to design a similar and probably less intrusive structure out. The approved RVC should be implemented. It remains unclear why this area is proposed to be raised further, so preventing convenient level access to the play area. Clarification is required.

14. I would suggest that plots 16/17 are pulled forward and north sightly, and their parking is relocated as tandem spaces to the side of plot 17. This is to break up the long row of frontage parking along this street, endstop the footpath opposite and emphasise the traffic calming at this point. Please also think about windows to side gables and changing the material to the Maplehurst as the plots opposite.

15. Some hedge planting should be provided on the top of the embankment along the section of road opposite plots 38-49 to help screen this parking in distant views.

16. There appear to be some left over spaces to the rear of the sub and pumping stations that could be susceptible to anti-social behaviour. Suggest as much as possible of this space is taken into the rear gardens of plots 126 & 116 and the remainder is planted up with dense prickly species to prevent access.

17. Garages are better provided with front to back ridge lines so reducing overshadowing onto adjacent rear patio and gardens. Please amend.

18. Plot 116 has a 1.8m retaining wall and 1.8m garden wall on top, so 3.6m high structure overall. Its also not clear how this would all tie into plot 126's garage. Plot 116 thus needs a retaining wall and terrace in its garden to reduce the size of this structure.

19. Re materials along the main frontage street I suggest the rhythm of the alternating brick set up by 132-127 is carried through to the remainder of the street, i.e. with the LAWs in brick 2 (plots 101/100, 96/97, 92/93) and the DEAs in brick 1 along this stretch.

<u>Conclusion</u>

Objection. The current proposals fail to accord with the principles and parameters of the DAS and high quality design required by CS1 and the NDG. Paragraph 135 of the NPPF is clear that the quality of approved development should not be allowed to diminish between permission and completion. These proposals clearly fail to meet the aspirations of the original permission and therefore unless substantive changes are made the application should be refused.

Objection. Further amends and clarifications are required in accordance with the comments above to ensure a high-quality scheme.

Dan Jones
Principal Planning Officer – Urban Design

Shared Space Streets

South Gloucestershire Council Design Guidelines

Shared space *is a design approach that minimises the segregation between modes of road user. This is done by removing features such as kerbs, road surface markings, and traffic signs, so in theory, by creating a greater sense of uncertainty and making it unclear who has priority drivers will reduce their speed, in turn reducing the dominance of vehicles, and improving safety for other road users.*

Shared space roads are now common on many new developments in South Gloucestershire. The best examples follow the below guidelines:

- **Design of the shared space should be an integral and parallel process to design of the residential layout with the objective of creating a very low traffic speed (<10mph design speed), interesting and safe public realm incorporating space for an occasional substantial street tree or cluster of trees.**

- **Use of shared space should be considered carefully as a tertiary part of a hierarchy of streets. Manual for Streets advises that they are most likely to work well in short lengths or where they form cul-de-sacs, where the volume of traffic is below 100 vehicles per hour.**

- **Some variation in width based on a predominantly 6.5m wide carriageway (3.5m Fire appliance/refuse truck + 1m safety margin + 2m excavation/service margin). 6m wide where serve less than 10 dwellings (to allow for reversing).**

- **Shared space streets must have a clear entrance threshold such as Copenhagen style crossings and demarcated by a change in materials. The entry and exit shall include a design to cater for DDA (Disability Discrimination Act) requirement to warn users of the change in priority from a segregated surface (footpath/carriageway) to a shared surface, for example by the introduction of appropriate tactile surfacing.**

- **Traffic calming must be a maximum of every 30m (typically a build out with tree and change in material. Raised tabletops may also be used and often at junctions).**

- **Surfacing should be distinct from other highway typologies. Suggest a minimum of 50% block paving to tarmac (use of hot rolled asphalt with a colour chip can further help define these streets). Carefully specify block and colour chip to reinforce character areas and distinguish streets.**

- **Integrate parallel visitor parking (2.5m wide) and subtly demarcate in a different material.**

- **Use Conservation kerbs: 125mm upstand (face) is required to prevent unauthorised parking and vehicle overrun onto soft landscaped areas. A 25mm upstand should be implemented elsewhere to retain highway water.**

National Highways Planning Response (NHPR 22-12)
Formal Recommendation to an Application for Planning Permission

From: Regional Director, South West Operations Division, National Highways
PlanningSW@nationalhighways.co.uk

To: South Gloucestershire Council
planningapps@southglos.gov.uk
FAO Lucy Paffett

CC: transportplanning@dft.gov.uk
spatialplanning@nationalhighways.co.uk

Council's Reference: P22/07094/RM

Location: Land North of The Railway, East of Harry Stoke, South Gloucestershire

Proposal: Erection of 162no. dwelling with highways, drainage and associated works with appearance, landscaping, layout, and scale to be determined. (Approval of Reserved Matters to be read in conjunction with outline permission P21/06474/RVC (previously PT16/4928/O).

Referring to the consultation of the planning application referenced above, in the vicinity of the Strategic Road Network, notice is hereby given that National Highways' formal recommendation is that we:

~~a) offer no objection (see reasons at Annex A);~~

~~b) recommend that conditions should be attached to any planning permission that may be granted (see Annex A – National Highways recommended Planning Conditions & reasons);~~

c) recommend that planning permission not be granted for a specified period (see reasons at Annex A);

~~d) recommend that the application be refused (see reasons at Annex A)~~

Highways Act 1980 Section 175B is relevant to this application.[1]

[1] Where relevant, further information will be provided within Annex A.

This represents National Highways' formal recommendation and is copied to the Department for Transport as per the terms of our Licence.

Should the Local Planning Authority not propose to determine the application in accordance with this recommendation they are required to consult the Secretary of State for Transport, as set out in the Town and Country Planning (Development Affecting Trunk Roads) Direction 2018, via transportplanning@dft.gov.uk and may not determine the application until the consultation process is complete.

The Local Planning Authority must also copy any consultation under the 2018 Direction to Planningsw@nationalhighways.co.uk .

Signature: W. Little	**Date:** 15 August 2023
Name: Westley Little	**Position:** Spatial Planner

National Highways: Brunel House, 930 Hempton Court, Aztec West, Bristol, BS32 4SR

Email: Westley.Little@nationalhighways.co.uk

Annex A National Highway's assessment of the proposed development

National Highways has been appointed by the Secretary of State for Transport as a strategic highway company under the provisions of the Infrastructure Act 2015 and is the highway authority, traffic authority and street authority for the Strategic Road Network (SRN). The SRN is a critical national asset and as such we work to ensure that it operates and is managed in the public interest, both in respect of current activities and needs as well as in providing effective stewardship of its long-term operation and integrity.

We have undertaken a review of the relevant documents supporting the planning application to ensure compliance with the current policies of the Secretary of State as set out in DfT Circular 01/2022 "The Strategic Road Network and the Delivery of Sustainable Development" and the National Planning Policy Framework (NPPF). This response represents our formal recommendations with regards to planning application reference P22/07094/RM.

Statement of Reasons

The application, submitted in December 2022, is seeking planning permission for the approval of reserved matters (Appearance, Landscape, Layout, Scale) for Land North of The Railway, East of Harry Stoke, South Gloucestershire.

The traffic impact of the proposed development was appropriately addressed at outline stage, and the matters for which approval is now sought relate to appearance, landscaping, layout and scale. The application site is located approximately 135m to the west of the M4 therefore National Highways has considered the landscaping and drainage proposals in further detail.

Previous Response

On 25 April 2023 National Highways issued a holding recommendation to the application for a period of three months in order to allow the applicant time to provide further information to enable the impact on the safe operation of the strategic road network to be determined.

In July 2023 we extended our holding recommendation for an additional 3 months, as we had received no further information. This was to enable the applicant to address the above matters.

Position Update

In August 2023, National Highways has been reconsulted on P22/07094/RM. The applicant has provided revised drainage and landscaping documentation, in support of the planning application. National Highways review has been summarised below.

<u>Drainage</u>

The developer has made some significant changes to their surface water management design, which currently doesn't directly affect National Highways M4 existing drainage infrastructure.

However, we would recommend that planning permission not be granted until all the South Gloucestershire Council's (SGC) drainage conditions have been addressed, to the satisfaction of SGC officers.

We are concerned that if South Gloucestershire Council's conditions are not addressed, there may be an impact on National Highways assets including the downstream 1050Ø culvert that runs underneath the M4 at MP182.4.

In addition, the developer should be made aware that their proposed S104 Drainage Connection, which is upstream of National Highways 1050Ø culvert, as detailed on the drawing ES151-TES-00-XX-DR-0515 (Drainage Strategy Sheet 5-7875484), is located within SGC land ownership, and not National Highways land ownership. Therefore, permissions should be sought from SGC for the proposed S104 connection.

Permission to discharge surface water within National Highways drainage infrastructure would be contrary to the DfT Circular 01/2022 Paragraph 59 guidance, and it should also be noted, that another developer has applied to discharge surface water at the same location (Planning reference: P22/0411/F) which could result in a conflict of pipework alignments.

Landscaping

No new information has been provided with regards to noise and therefore our position remains the same in this regard whereby further information is required. We request a Noise Impact Assessment be submitted showing modelled noise levels with proposed mitigation included.

With respect to our previous comments on inadequacy of screening provided to the eastern boundary of the development, the revised Soft Landscape Proposals (Rev E) show very little change. Our previous comments therefore still stand.

Enhanced landscape proposals will provide improved screening and perceived noise benefit, even if the modelling of noise levels does not pick this up. the developer must ensure that all required and desired mitigation is provided within the development or by a site boundary feature proposed as part of the development. We would encourage the use of native and naturalised species planting to provide or support visual screening mitigation, with an evergreen component to sustain this all year round. Any fences, screening and other structures must be erected on the developer's land, and far enough within the developer's land to enable maintenance to take place without encroachment onto highway land, as set out in the DfT Circular 01/2022 "The Strategic Road Network and the Delivery of Sustainable Development".

The applicant should be reminded that National Highways soft estate must not be relied upon to contribute any mitigation to the development as the management of our estate may from time to time affect any real or perceived benefits. Our soft estate management includes cyclical maintenance and periodic renewal, either of which could involve significant reduction in any available screening benefit until new planting is well established. We are also needing to consider removal of all dead, dying and diseased trees affected by ash dieback (*Chalara*), where these are on National Highways estate and where they present a safety risk to our assets, neighbours and all road users.

Recommendation

National Highways recommends that application reference P22/07094/RM not be granted for a period of 3 months from the date of this recommendation.

This is to allow the applicant to provide further information which is necessary to determine the drainage and landscaping impact on the continued safe operation of the strategic road network and the long-term integrity of its assets, and thereby provide the Local Planning Authority with fully informed advice.

Standing advice to the local planning authority

The Climate Change Committee's 2022 Report to Parliament notes that for the UK to achieve net zero carbon status by 2050, action is needed to support a modal shift away from car travel. The NPPF supports this position, with paragraphs 73 and 105 prescribing that significant development should offer a genuine choice of transport modes, while paragraphs 104 and 110 advise that appropriate opportunities to promote walking, cycling and public transport should be taken up.

Moreover, the build clever and build efficiently criteria as set out in clause 6.1.4 of PAS2080 promote the use of low carbon materials and products, innovative design solutions and construction methods to minimise resource consumption.

These considerations should be weighed alongside any relevant Local Plan policies to ensure that planning decisions are in line with the necessary transition to net zero carbon.

SOUTH GLOUCESTERSHIRE COUNCIL, DEPT of ENVIRONMENT AND COMMUNITY SERVICES

LEAD LOCAL FLOOD AUTHORITY (DRAINAGE) COMMENTS / OBSERVATIONS ON PLANNING APPLICATIONS

P22/07094/RM | Erection of 162no. dwelling with highways, drainage and associated works with appearance, landscaping, layout, and scale to be determined. (Approval of Reserved Matters to be read in conjunction with outline permission P21/06474/RVC (previously PT16/4928/O)). | Land North Of The Railway, East Of Harry Stoke South Gloucestershire

Matters appertaining to the consultee comments below from the Lead Local Flood Authority (LLFA) must be directed to the Planning Case Officer in the first instance, including queries regarding the discharge of conditions.

Condition 5: PHASING PLAN

Prior to the approval of any reserved matters application, a plan/s comprising all of the (drainage) elements listed below (hereafter call the "Phasing Plan"), shall be submitted to and approved in writing by the Local Planning Authority:

- **Location, extent, timing and type of SUDS, including critical cross sections to demonstrate compliance with CIRIA guidance and practical management and maintenance objectives.**

We are currently UNABLE to recommend the approval of reserved matters in relation to Condition 5 as no further information has been provided therefore our previous comments (dated 26/1/23) still stand:

- Given the proposal to construct attenuation crates beneath the Eastern Pond it would not be satisfactory for the Eastern Pond alteration works to be undertaken prior to 50th Occupation, as stated in Appendix 4: Phasing Plan

  We would expect all significant drainage works to be undertaken prior to construction of the highways and residential dwellings so that the surface water drainage has a clear drainage pathway.

Condition 8: Landscaping and Maintenance

Reserved matters submissions on the Outline Site shall include full details of both hard and soft landscaping works and these works shall be carried out as approved. Such details shall accord with the principles of the approved Landscape Parameter Plan, the principles and concepts contained in the approved Design and Access Statement (November 2018).

- **Where appropriate, construction details of all SUDS elements and maintenance proposals shall be submitted with each Reserved Matters for approval.**

We are currently UNABLE to recommend the approval of reserved matters in relation to Condition 8 due to insufficient information regarding key changes to the surface water drainage strategy.

KEY CHANGES TO SURFACE WATER DRAINAGE STRATEGY:

We welcome submission of the Drainage Technical Note identifying three key issues with the approved PBA Drainage Strategy and outlining the proposals to rectify them:

1. Private Land Drainage network to be separated from adoptable drainage network.
2. Private Land Drainage network to be located to avoid adoptable roads where possible. Section 50 (Crossing Licence) acceptable for short sections.
3. ICOSA would not adopt the deep network proposed therefore a full reassessment of surface water and foul drainage proposal has been undertaken.

However further information is required as outlined below.

GENERAL COMMENTS:

We welcome the submission of Micro Drainage Calculations with 45% CC allowance. However, unless the Micro Drainage MDx file is submitted (preferred), please note the following details will be required for each network (including the Eastern Pond):

- Network Schematic, Network Details, Design Criteria, Pipe and Manhole Schedule, Outfall Details, Simulation Criteria, Online and Offline Controls, Storage Structures and Simulation Results for 1 in 1, 1 in 30 and 1 in 100 plus an allowance for Climate Change.

In addition:

- Further detailed design of the Eastern Crates and Eastern Pond with associated infrastructure (eg flow control etc) is sought.
  Note: All proposed trees and root protection zones need to be shown on the Drainage Plans to ensure there is no conflict of space.

We have noted several discrepancies with Total Imp Area (TIA) (see Table below), particularly between the Eastern Pond and the Eastern Crates. Further clarification is sought, please:

- Confirm which Micro Drainage (MD) network relates to which SUDS feature.
- Check all TIAs discharging to each SUDS feature corresponds.

Storage Feature	**Net work**	**Imp Area Plan (including 10% Urban Creep)**	**Catchment Plan – surface water (haIMP)**	**Micro Drainage (haIMP)**	**Technical Note**	
					Imp Area (haIMP)	**Land Drainage (haIMP)**
Northern Pond	1	0.536	**0.542?**	0.536	**0.542? (Table 2)** 0.536	0
Eastern Crate	2	1.408	**? 1.320?**	**1.341?**	**?**	0
Southern Pond	3	1.444	**1.026?**	1.433	**1.026? (Table 2)** 1.444	0.999 (GF2)
Eastern Pond	**?**	**?**	**1.320?**	**?**	**0.214? (Table 2) 1.341?**	2.828 (GF1=2.239 +0.589)

NORTHERN POND – Network 1:

We welcome confirmation that the impermeable area discharging to the northern ponds is less than previously approved therefore the ponds will be oversized, but the existing storage will not be altered.

- Clarification regarding TIA is sought (as shown in Table above).
- PN1.008 – gradient on MD does not correspond with Drainage Plan.

EASTERN CRATES – Network 2:

We welcome confirmation that an attenuation tank (1200m3) is to be installed beneath the Eastern Pond to provide storage for the adoptable system from the residential area.

- Clarification re. TIA discharging to Eastern Crates is sought.
- Detailed design of the crates and associated infrastructure (including manholes and vents) is sought.

We note that the intention is now to discharge at 4l/s to the ordinary watercourse via a SGC Highways manhole on the Old Gloucester Road (layby).

- The location of the SGC Highways manhole must be clearly identified on a plan.

Important Note: Written consent to discharge to a highway drain will be required from SGC Highways, to ensure the viability of the proposal.

We welcome the flow control being detailed on the drainage plans.

- Detailed design of the flow control is sought.

And as stated in our previous comments:

- Pollution control measures will need to be put in place to ensure adequate treatment prior to discharge to the highway drain/watercourse.
- Source control measures (eg permeable paving, highway tree pits & rain gardens) will be key and will need to be detailed. See note re tree pits under Condition 12).

There are significantly more trees on the Landscape Plans approved under P21/06474/RVC than on the Drainage Plans submitted for this application (see plans below). It is important to ensure there is no conflict of interest with approved the Landscape Plans and the new proposal.

- The Landscape Plans submitted under this application only show the residential area therefore we query when the Landscape Plans of the Eastern Crates area is to be resubmitted?

Important Note: If the final landscape details are not able to be submitted within this application, then a condition/informative will be required stating that when the detailed landscaping comes forward there must be no clashes with the pond/crates, associated pipe network and maintenance access route.

SOUTHERN POND – Network 3

We welcome confirmation that the impermeable area discharging to the southern ponds is less than previously approved therefore the ponds will be oversized, but the existing storage will not be altered.

- Clarification regarding TIA is sought (as shown in Table above).

EASTERN POND – Network ?:

We accept that the Eastern Pond will continue to discharge to the existing ditch but at a reduced rate of 1l/s instead of 5l/s.

However, it's unclear whether the Eastern Pond is just taking Land Drainage (as per Land Drainage Strategy Sheet 2) or whether it is taking surface water drainage from Phase 2?

- Clarification regarding TIA is sought (as shown in Table above).
  The Technical Note implies the following, which is confusing:

  > As it can be seen from the information provided, the total impermeable area discharging to the eastern pond including an allowance for Urban Creep (10%) is 1.341ha.

- Detailed design of the pond and associated infrastructure is sought.
  Side slopes of the Eastern Pond are expected to be 1 in 4.
- We query whether the land drainage from the school site is still discharging via the steep cascade? The Cascade is shown on Land Drainage Strategy Sheet 2 but not on the Drainage Strategy Overall Plan and Sheet 5. Confirmation is sought.
- As stated previously and in the response to Condition 5, given the proposal to construct attenuation crates beneath the Eastern Pond, it would not be satisfactory for the Eastern Pond alteration works to be undertaken prior to 50th Occupation, as stated in Appendix 4: Phasing Plan. We would expect all significant drainage works to be undertaken prior to construction of the highways and residential dwellings so that the surface water drainage has a clear drainage pathway.

We welcome the 3m wide maintenance strip within the school land and detailed design of the land drains (Land Drainage Strategy Sheets 1&2).

- However, as this is out of the red line boundary of this application, we query how this detail will be ensured within the school application?

We welcome confirmation that the "as built land drainage" is to be decommissioned.

Exceedance Routes:

- We still have concerns about the exceedance route plans. Some arrows show exceedance towards property. Including (but not exclusively): Plots 113, 158 & 159.
  Where the property Finished Floor Levels are lower than the Highway and on corners, kerbing will need to be carefully considered to ensure there is no flood risk to the properties.

Maintenance and Access route:

- All SUDS features must be accessible for maintenance purposes. We continue to query whether the maintenance access route to the Eastern Pond/Crate (approved at Outline) off the Old Gloucester Road is still proposed. If so, this will need to be detailed on a plan.

Custom Build Plots:

- We welcome confirmation that the Custom Built Plots are discharging into manholes SW44 (0.025haIMP) and SW45 (0.039 and 0.051haIMP) prior to discharging to the Northern Pond (Network 1).

School:

- Whilst we note that the proposal is to discharge the Land Drainage for the school via the new Eastern Pond, we continue to query where the surface water drainage for the school will be discharging to and what haIMP has been accounted for?

CONDITION 12: STREET PITS

- We note the Tree Pit Design for Advanced Standard Trees, within hard surface/car park areas (Dwg: P20-3315_EN_09) but continue to query whether these will be connected into the site wide drainage network as no underdrain is shown? We recommend that these are connected into the site drainage system to provide some source control.

Dawn Morgan

Drainage and Flood Risk Management Team – (Engineering Group, Street Care)

LeadLocalFloodAuthority@southglos.gov.uk

15th August 2023

Application Number:	**P22/07094/RM**	Grid Reference:	363559 179928
Date Registered:	5th January 2023	Consultation Response Date:	25th January 2023
Location:	**Land North Of The Railway, East Of Harry Stoke South Gloucestershire**		
Proposal:	**Erection of 162no. dwelling with highways, drainage and associated works with appearance, landscaping, layout, and scale to be determined. (Approval of Reserved Matters to be read in conjunction with outline permission P21/06474/RVC (previously PT16/4928/O)).**		
Applicant:	**Wain Homes (Severn Valley)**		

Dear Lucy.

Please see initial Transport comments as follows.

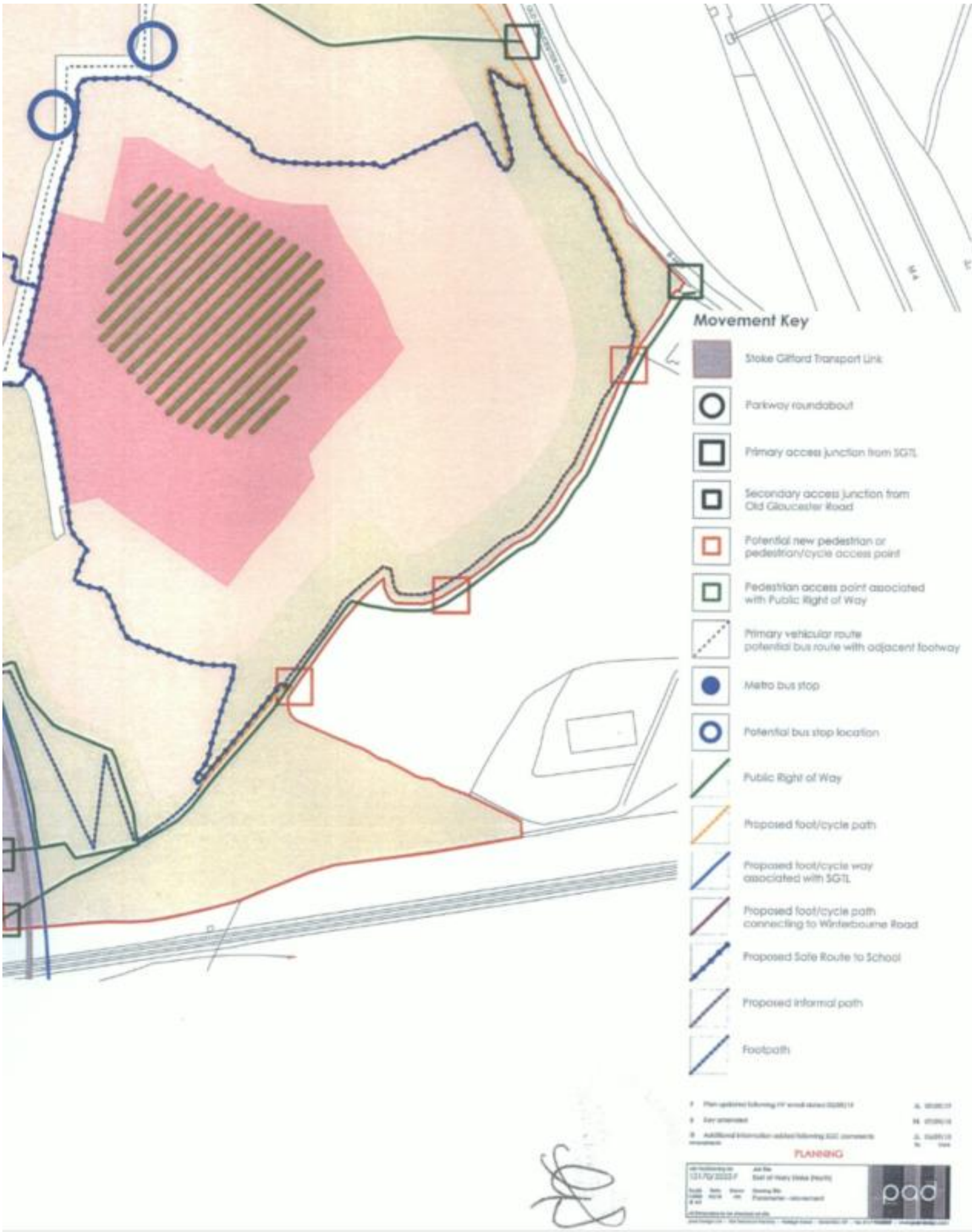
There are obligations in the s106 and condition 5 of P21/06474/RVC relating to the foot and cyclepath links across the open space to the east of the site which need to be addressed.

The details shown on the phasing plan are not consistent with the s106.

1. Safe Routes to School(SRTS) 2 south link which should include a 3m wide shared cycle / footpath leading from the south corner of this site to Application PT17/5873/O is to be provided on occupation of 50th dwelling.
2. SRTS 3 north link including the bridge to be provided on occupation of 100th dwelling. This path needs to link with the boundary of PT17/5873/O as shown in the s106 extracts below.
3. The foot / cyclepath northwards to the site boundary should be completed on occupation of 100th dwelling.
4. PROW link also to be completed on 100th dwelling. The short link to Old Gloucester Road will need to be upgraded to a shared cycle / footpath link by the Development to the east of Old Gloucester Road should that site be approved.
5. The foot / cyclepaths must be shown to link into the RM highway layout.
6. The pumping station in the open space opposite plot 106 superimposed over the stepped path.
7. Retention of the two stepped paths through the POS is something which can be reviewed.
8. The maximum non-engineered slope supporting the highway is 1 in 3. The proposed 1 in 2 slopes opposite plot 87 will need to be reinforced and checked by the Structures Team. There are also maintenance problems with slopes this steep.

9. The PROW path link to the zig zag path and steps up to the SGTL should be clarified.

10. A wayfinding signage schedule should be provided to guide people through the site and the adjacent POS.



Internal layout

General

1. Once the layout details have been agreed a Stage 1 RSA will be required prior to determination. This should be carried out in accordance with the Council's procedure which includes approval of the selected Auditors, and the Audit Brief before the Audit is carried out.

Further details can be found at the link below.

Road-Safety-Audit-Procedure-May-2020.pdf (southglos.gov.uk)

The Council can carry out RSA's on behalf of Developers. To get a quote for carrying out a road safety audit for a development email strategicroadsafety@southglos.gov.uk. Our road safety auditors are members of the Society of Road Safety Auditors.

2. The shared surface roads should be provided with block paving for about 50% of the surface to clearly differentiate them from the segregated roads.
3. The indicative FFL drawings need to show the actual finished levels rather than indicative levels.
4. The contours on the level drawings need to show a 1m wide level berm at the back edge of the footway or carriageway at the top of the 1 in 3 slopes.

Individual points starting from the northwest.

1. I'm not convinced by the path set back 3m from the road in front of plots 129 to 111. It is unlikely that the LHA will adopt the private drives between the footpath and the road which are not long enough to park a car on and provide no soft landscape benefit.
2. Traffic calming on segregated roads should be provided at least every 70m. A raised table or other form of traffic calming should be provided between plots 158 and 117.
3. The path between plots 118 and 117 should extend to the road and a suitable pedestrian crossing point between car parking spaces.
4. There should be some traffic calming between plots 107 and 49. Could be a raised table or possibly a build -out.
5. Please provide a ramp up to the crossing point at the entrance to the shared surface road between plots 66 and 79. There should be a block paved strip at least 2m wide at the start of the shared surface to highlight the change in status to shared surface.
6. The entrance to the cul-de-sac to the side of lot 86 should be provided with a block paved strip at least 2m wide to denote the change in status.
7. A shared foot/ cycle path 3m wide needs to link from the connection to the Safe Routes to School 2 (SRTS) path at the south end of the site into either or both of the cul-de-sacs to the side of plots 79 and 86.
8. The path that links these two cul-de-sacs in item 7 should be included for adoption and provided with street lighting.
9. Please can cross sections be provided to the front of plot 74 across the footpath retaining wall and slope beyond.
10. The 2m wide footway north of plot 60 should extend up to the site boundary. The alignment of the road needs to be adjusted to accommodate this. The 1m wide strip could cause a problem delivering a school access.
11. A shared cycle footpath link needs to be provided to the SRTS opposite plot 140.
12. The northeast cul-de-sac could be a shared surface generally 6.8m wide from plots 150/155 onwards transitioned via a block paved gateway feature.

Tracking.

1. Please show an 11.3m long 3 axle waste collection vehicle passing a long wheelbase van at intervisible points.
2. Please show body line and wheel line in different colours. Note refuse vehicle sheet 1.
3. The waste vehicle outside plot 67 crosses over the kerbline. Please check.
4. The forward visibility envelope at the junction to the side of plot 107 goes outside of the site. I think that cars or vans are more likely to wait at the junction. I recommend removal of the build outs and marked up visitor parking bay to assist vehicles passing at the junction. There is no need for traffic calming in close proximity to the junction and the bend.

Parking.

1. Visitor parking should be provided at a ratio of 1 per 5 dwellings. I.e., 32 spaces. The 15 spaces proposed falls short of this standard. The spaces which are proposed are not spread evenly across the site. Visitor spaces should be parallel to the road (not perpendicular as shown for plots 150 – 155) and designed as part of it. Visitors can park on 5.5m wide carriageways provided they don't obstruct driveways or passage of the waste collection vehicle. Additional locations for visitor parking should therefore be shown and tested with waste collection vehicle tracking.

2. Please can all roadside visitor parking bays abutting verges be widened to 2.5m to enable people to get out of cars without stepping onto landscaping.
3. Please can a dwelling type / size parking schedule be provided to demonstrate conformity with the EOHS and Council PSP16 parking standards.

EVCP's.

1. I note that all plots have an EVCP, which is welcomed.
2. Please add minimum specification of 7Kw 32Amp to the key.
3. The EVCP's for plots 151, 154 and 155 don't work very well. Can these be reviewed please. I don't think that the perpendicular visitor parking to the front of this block is a suitable arrangement.

Cycle parking.

1. I note that all dwellings are provided with cycle storage either in dedicated stores or garages. Details agreed.

Drainage Strategy.

1. The drainage runs all appear to be clear of any build out areas.

Waste Collection - details agreed.

Street lighting.

1. The designer should be aware the need to illuminate the cycle and footpaths linking across the open space to the site to the south east as shown on the phasing plan, which should be revised in accordance with the S106 as indicated at the start of this response.
2. The path around the south tip of the site between the two cul-de-sacs should be included for adoption and lit.
3. The link paths between the upper and lower roads should also included for adoption and lit.

Adoption Drawing.

1. I defer to the Development Implementation Team to confirm what grass verges they are prepared to adopt.
2. If forward visibility envelopes are not adopted by the LHA a condition will be required to ensure that they are maintained free of obstruction for as long as the development exists.

3. The link footpaths between the lower and upper roads with steps should be included for adoption. Check with DIT. Please can contours or long sections for these paths be provided?

Kind regards.

Chris Rose

Senior Engineer

Transport Development Control

Place Shaping

Department for Place

South Gloucestershire Council

South Gloucestershire Council

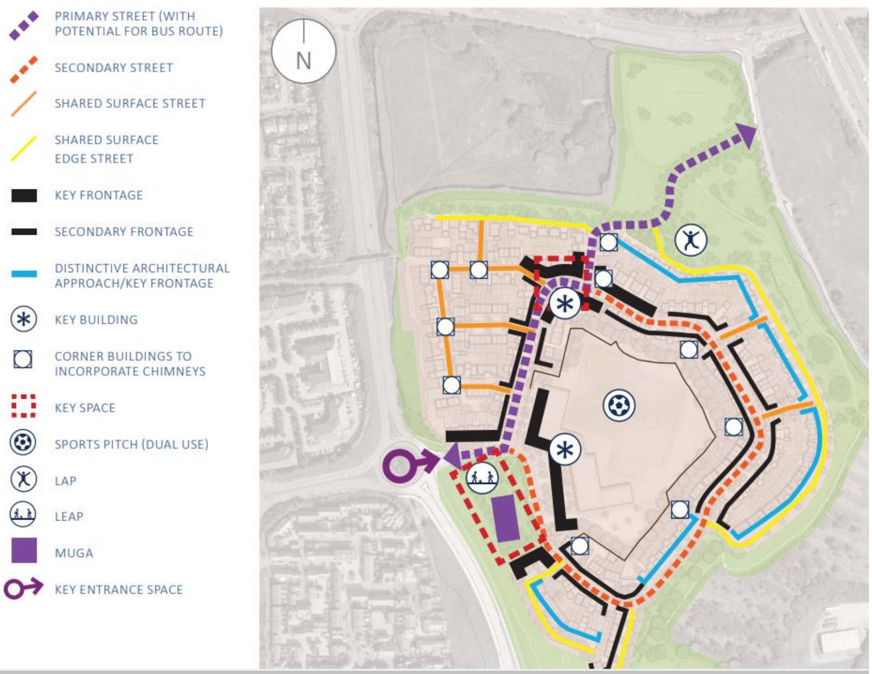
Department for Place
Major Sites Team
Badminton Road , Yate

PLANNING APPLICATION CONSULTATION RESPONSE

Memorandum to: (Case Officer)	Lucy Paffett- Major sites Team
From:	**Rachel Fry**
Response from Service Department:	Landscape – Major Sites Team
Email:	
cc:	
Date:	11/1/2023
Planning Application Number:	P22/07094/RM relating to Pt16/ 4920/o p21/06474/rvc
Description of Development:	Harry Stoke New Neighbourhood- Land to the north of railway Residential development for 162 units.

The planning layout fails to indicate the context of the development parcel- showing proposed slopes, paths , play areas and the retained tree at the southern side of the site would make the plans much more meaningful.

The outline permission for this site was based on the creation of a strong , attractive and consistent building line forming the development edge as the development will be highly visible. The DAS required a distinctive architectural approach along the key frontages which were identified.



The type and mix of housing units proposed in the application unfortunately has deviated significantly from these principals and gives an inconsistent and muddled appearance in these important longer views and gives the strong impression of being just another housing estate with nothing to distinguish it except its elevated and exposed position.

Linked to this was the design intention for the creation of a strong framework of street trees to contain and soften the development , adding to the skyline and softening the levels changes within the site, as shown within the design and access statement illustrative framework plan. The DAS general principals for streetscapes included:

- Large street trees to define the character of the development,
- large street trees to form a part of the visual mitigation strategy

The general principles for the primary street included

- Large deciduous trees planted in broad grass verges
- Use of largest possible species to enable continuity

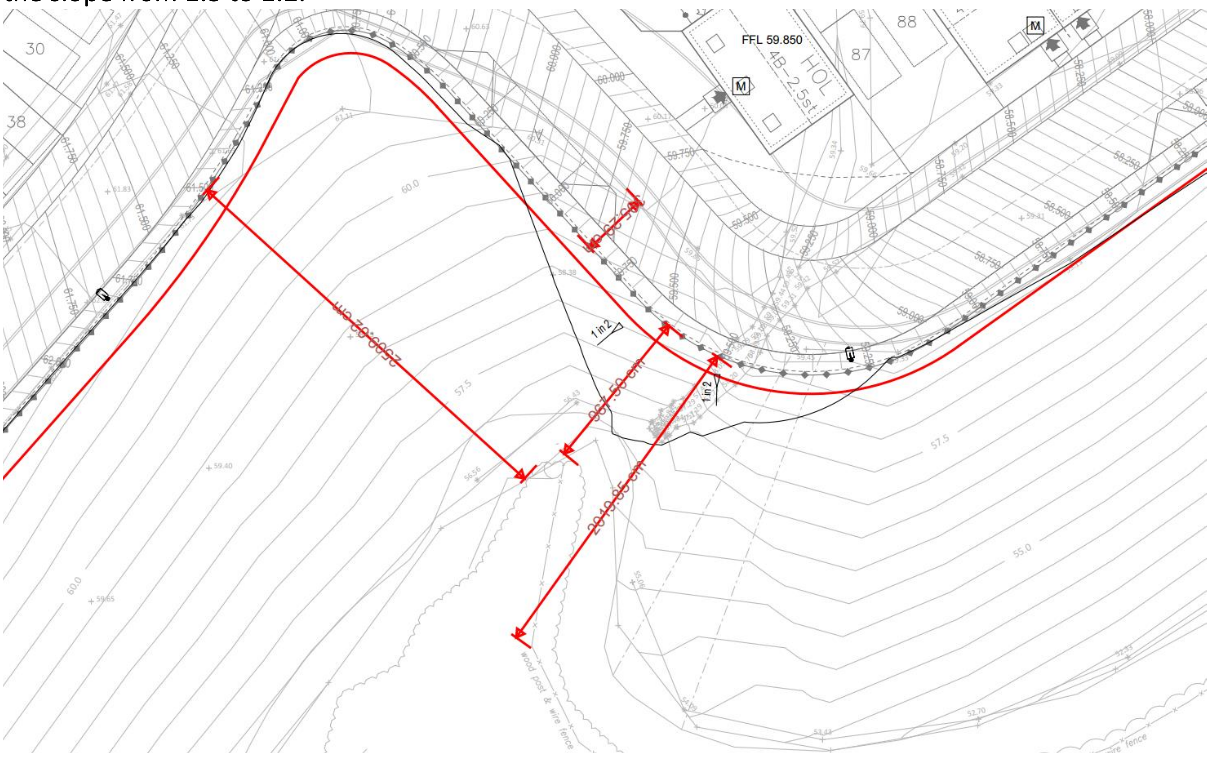
The shared surface edge streets should mark the threshold between the built form and the surrounding green spaces. The DAS suggests trees in informal mixed species groups to maintain a tree lined street consistent with the rest of the development whilst blending with the surroundings. The use of native and parkland style species .

The provision of the street trees within a robust verge location is sadly inconsistent. Small spaces are in many locations amid a sea of block paving. Lighting locations have in places exacerbated the loss of street trees where incorrectly positioned they prevent a consistent line. Generous grass verges with large street trees are required. Frontage parking to both sides of the road needs to be avoided. The predominance of 'verges' which are just wide expanses of block paving are of no value and will just extend car parking.

The principal of wide verges with substantial trees as a fundamental element of the site design **needs to be achieved**. The reliance on narrow upright trees to try and manage the inadequate space available is not an acceptable solution. The suggested amendments below indicate a more appropriate response to the design principals.

The very narrow area allowed at the top of the slopes on the outer edge of the road has precluded space for tree planting on the outer verge entirely. There is scope to increase the area available with some adjustment to the road alignment and plot design. The road alignment has been moved outward on the prominent corner, increasing the slopes of the POS and reducing space for planting. The original consented scheme:

Proposed scheme tightens up the slope on this corner by moving the road by up to 4m, increasing the slope from 1:3 to 1:2.



A sewage pumping station has appeared in a highly prominent location on the top of the POS close to where the footpath route should be linking with Old Gloucester Road and the Crocker site. This is a **completely** unacceptable location due to the strong slope and its visual prominence. Space needs to be found within the phase 2 development parcel where it won't have such a detrimental visual impact.

The road layout has been significantly modified with the connected network down graded to a series of cul de sacs with turning heads and private drives. This makes wayfinding more difficult. The pedestrian routes retained do not align with the access points into the POS . These access points are omitted from the planning layout and the movement plan within the compliance document which makes it harder to understand the context of the development proposals.

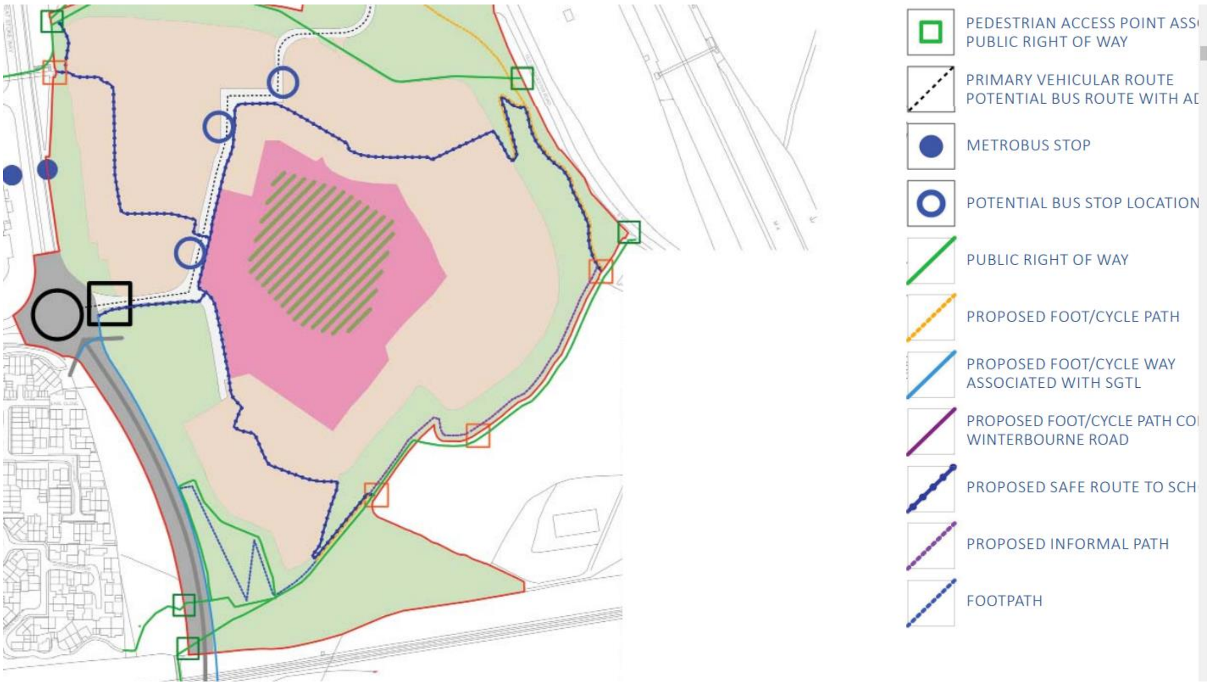
The consented landscape plan from the outline permission shows the pedestrian access and woodland planting which would be affected by the pumping station location.

The movement plan also confusingly shows a single code for pedestrian and cycle routes though it is clear that these are not intended as a combined path as there are steps on one of the routes and the width is insufficient. A separate path is identified alongside what is labelled a shared street . This is not a standard approach and it is not clear why this was considered necessary.

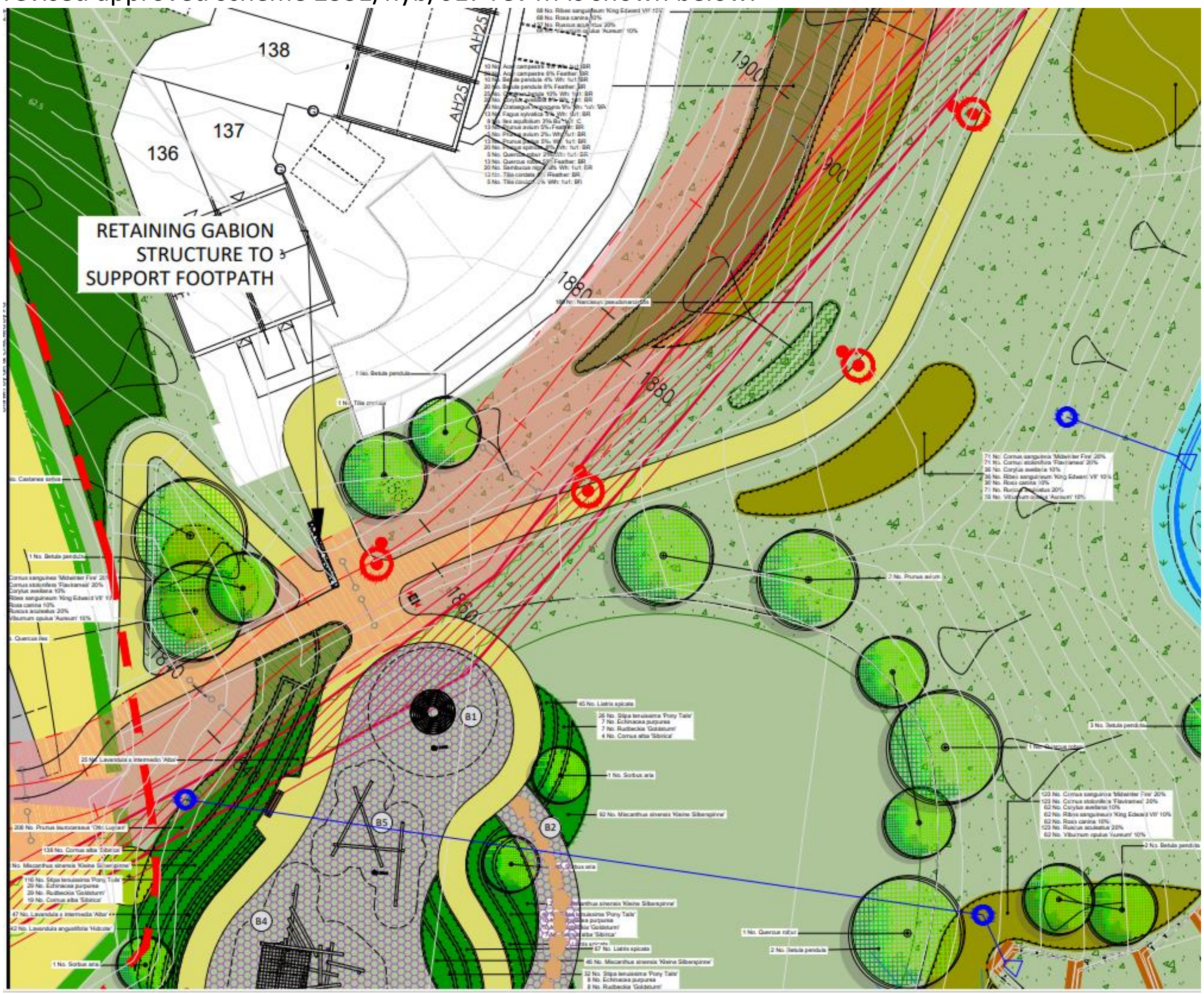
There is no indication as to how links are to be made to the wider cycle network from this site.

The southern section of the site contains a number of large housing units with high levels of parking. The mix of building types again provides a weak and inconsistent appearance to the development edge. The biggest problem with the proposed layout here is the lack of access between the development and the open space. This critical link has been omitted removing access to the play area, open space and the Stoke Gifford Transport link. No alternative route has been proposed. This is wholly unacceptable.

The design and access statement (see below) identified a route in this area as a safe route to school.

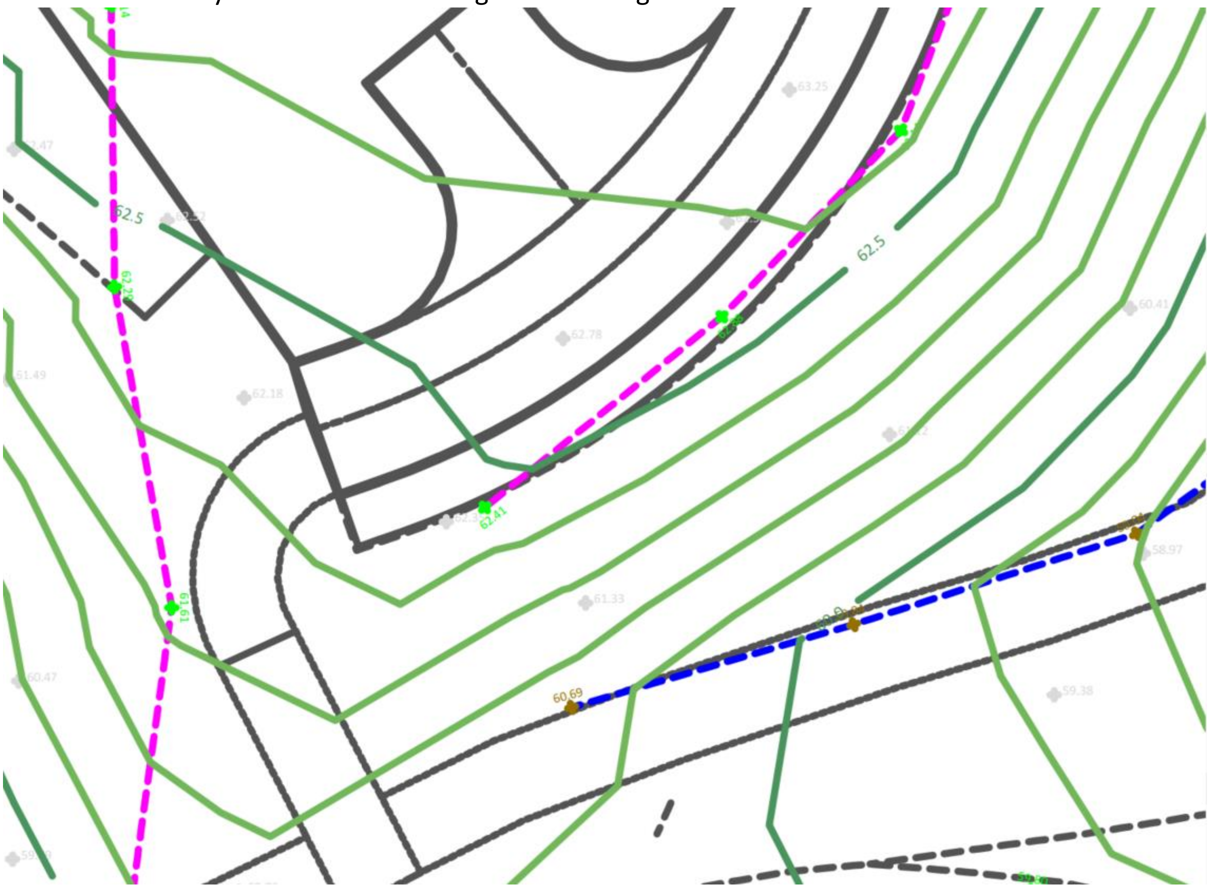


P21/06474/RVC allowed for the embankment to be redesigned here and the PROW moved to remove a retaining wall in this area but still provided a pedestrian link to the play area. The end of the roadway was shown as 62m AOD falling to 61m at the realigned PROW. An extract from the revised approved scheme 2331/hyb/017 rev M is shown below.

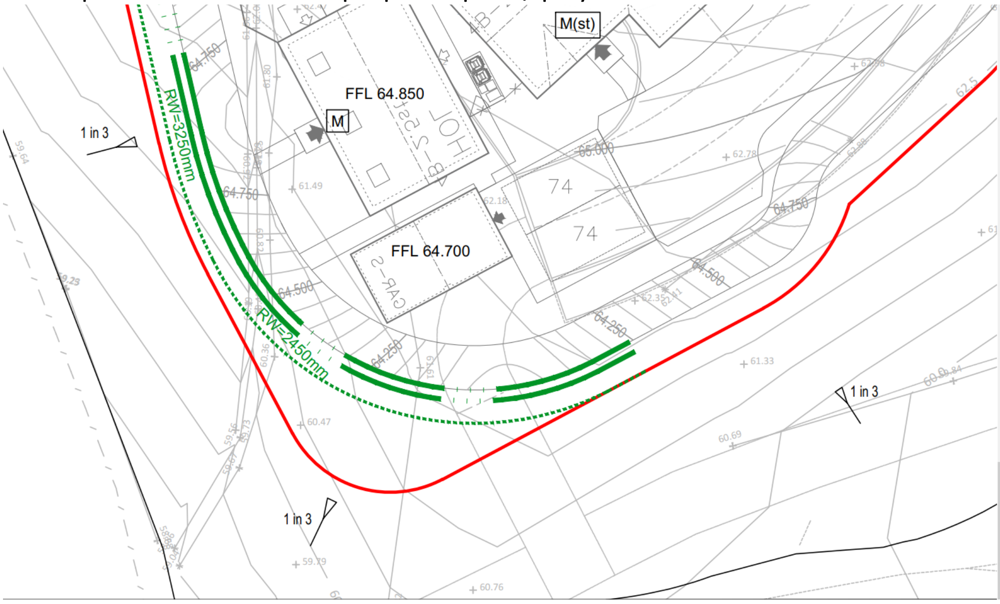


The proposed contours associated with the RVC were shown on spa-cp-con/ rev 5 shown below with the additional ramp required to provide an acceptable gradient of path for the PROW.

The as built survey showed the following levels through this area.



The current scheme has a height of 64m for the edge of the building platform with a new 2.4- 3.25m retaining wall and a 1:3 slope down to the level of the PROW and the play area. In addition there is a 1:3 slope indicated over the proposed path / play area .



It is frankly beyond comprehension why these fundamental changes have been made, raising ground levels an additional 2m+ above the as built and approved scheme.
(I can find no details with the application for the proposed retaining walls.)
I consider this issue to be a substantial and significant flaw in the design.

Conclusions
The scheme falls substantially short of the high quality placemaking envisaged in the outline application which identified “the visible development edge - which should present a distinct and recognisable design synonymous with the gateway to Bristol”, the current mix of houses fails to form a distinctive edge.
The scheme fails to provide adequately for the large scale tree planting and grass verges identified as a key feature within the DAS.
The scheme fails to provide for the required links to the public open space and rights of way network.
The impact of the pumping station has an unacceptable impact on the appearance of the open space.
In these matters the scheme is contrary to the requirements of policy CS1 for high quality design and local distinctiveness. Given the failures of the scheme I would recommend refusal.

South Gloucestershire Council

Department for Place
PO Box 1954, Bristol, BS37 0DD

RESERVED MATTERS SUBMISSION RECONSULTATION RESPONSE

Memorandum to: (Case Officer)	Lucy Paffett, Principal Planning Officer
From:	Heather Cameron, Public Open Space Officer
Email:	heather.cameron@southglos.gov.uk
cc:	
Date:	~~20/01/23~~ 31/08/23
Planning Application Number:	P22/07094/RM
Site Address:	Land North of the Railway, East of Harry Stoke, South Gloucestershire
Description of Development:	Erection of 162no. dwelling with highways, drainage and associated works with appearance, landscaping, layout, and scale to be determined. (Approval of Reserved Matters to be read in conjunction with outline permission P21/06474/RVC (previously PT16/4928/O))

Lucy, I have added Wain Homes' response from the covering letter dated 27/7/23 in *red* and my further comments in green. Wain's POS consultee comments are a summary of my memo to you dated 20/01/23; they do not address all the issues I raised. Changes have not been highlighted on the plans; this means that reviewing the plans takes longer. Can you please ask them to highlight the changes on the next set of plans, as is a request in 6.9 of the GI SPD.

Lucy, the following is not a comprehensive assessment but a series of examples of issues that need to be considered and addressed. There is information missing (External Works Layouts), no context has been shown on the site perimeter where it meets approved schemes, and this makes assessment of the scheme very much more difficult. Given the topography of the site and the earthworks that have been undertaken, it is imperative that adequate information is provided, including the approved earthworks and the as-built earthworks. We need to understand whether some of the deviations from the DAS and outline plans are as a result of the earthworks differing from the approved scheme.

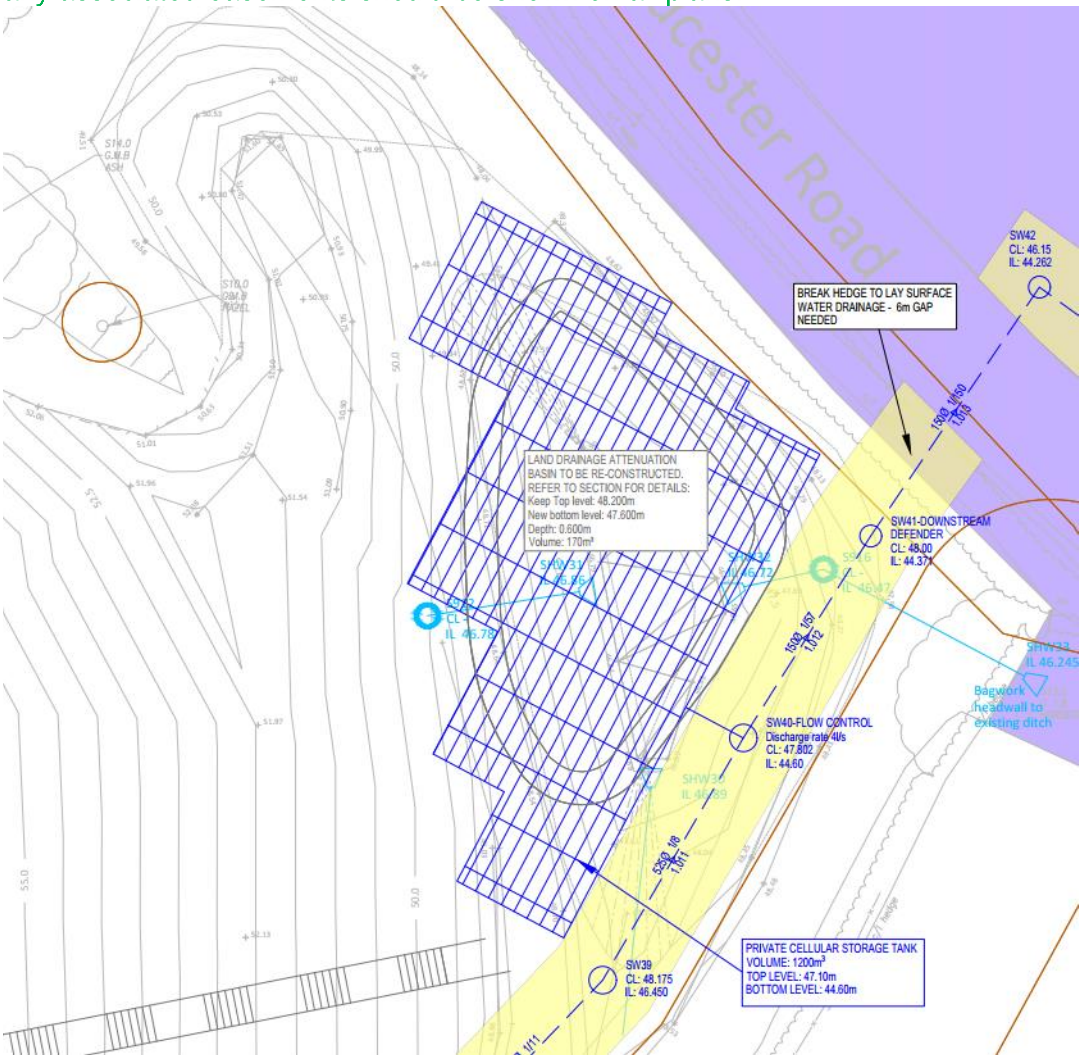
The levels plan should NOT be marked as 'Indicative' as the FFLs marked are actual. Sections also now provided Sections should show approved, as-built/existing and proposed.

The Council as Highway Authority has expressed that it does not wish to adopt the multitude soft verges proposed. *The Adoption Plan has been updated. Soft verges remain, but are consolidated where possible.* "Adoptable Highway Verge" removed on Adoption Strategy rev A and shown for transfer to management company however please see my further comments below.

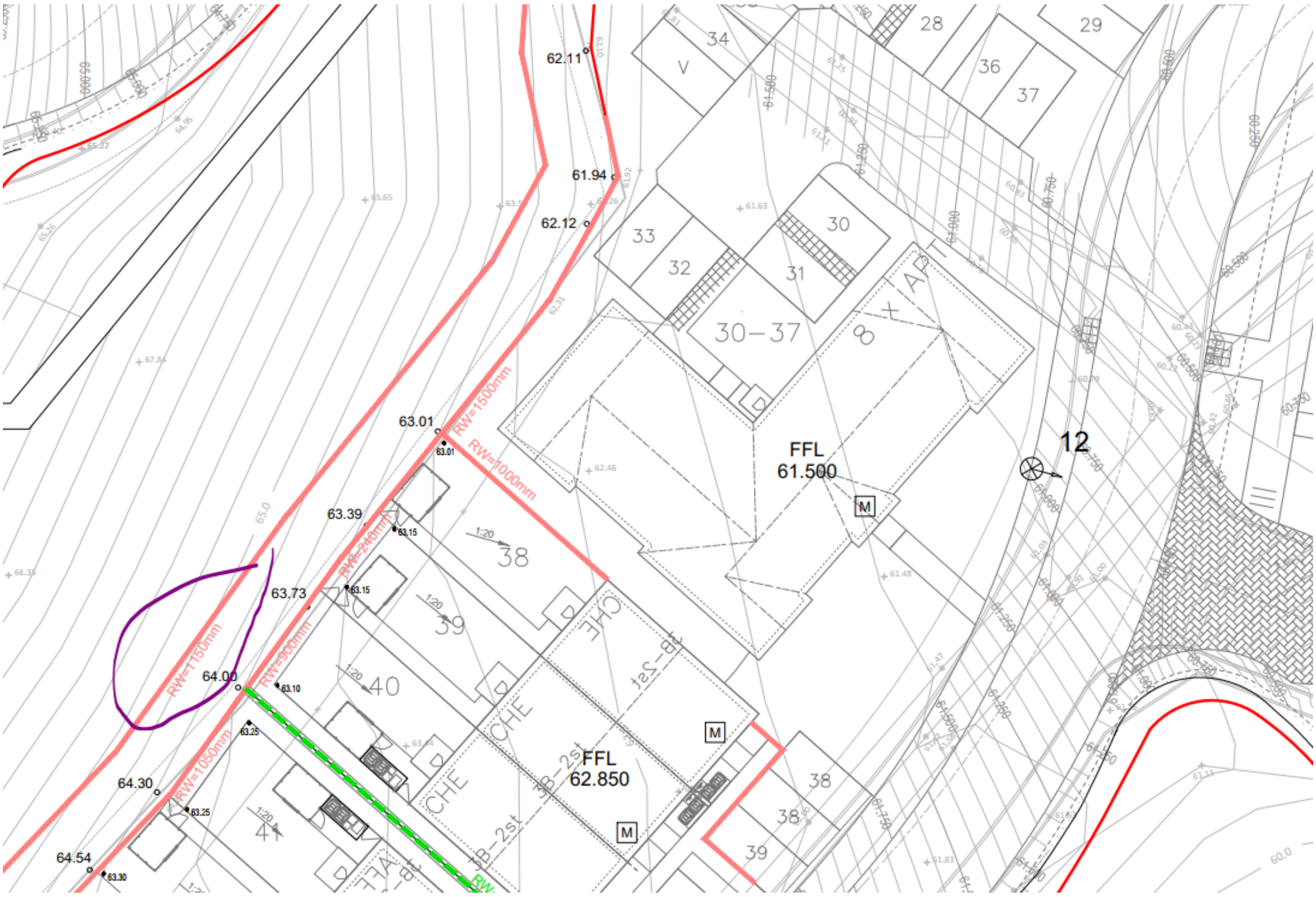
From the information provided, it is clear that there are anomalies e.g. missing path links to approved POS, etc. Although the context has been added to plans, there are still anomalies. See my further comments.

The drainage scheme appears to have changed, with a cellular tank now proposed in the approved POS. Under what process are these proposed changes being/to be considered? *This is now a requirement of the drainage strategy. A S.73 application will be made in respect of the strategic landscpaing to pick up this and other amendments which site outside of this RM in due course. Please refer to the Drainage Technical Note.* At our internal meeting it was clear that there are still significant drainage issues to be resolved. Proposed changes affect the school site and the approved strategic landscaping. The approved basin is proposed to be reconstructed, with an increased footprint. A crated

attenuation system is proposed above the basin (NOT ideal in any way). Approved landscape would be affected by the revised drainage proposals.
Below is an extract from the Drainage Strategy sheet 5 rev P03. The plan fails to show the approved ped/cycle path and it appears that the basin and the crates would extending into the embankment and under the ped/cycle path and ramp – this would not be acceptable. These matters must be resolved before this RM can be approved. Access for maintenance must be clarified beyond doubt, with maintenance access routes shown for the as yet undetailed crated system for jetting, etc. Plans that show the whole context and the impact upon the approved landscape plans must be provided. Extent of any associated easements should be shown on all plans:

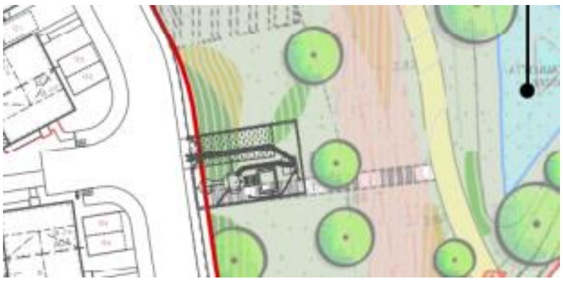


An extensive 1.15m retaining wall is proposed within the school site now; this is obviously outside of the red line for this application so I am unclear how this can be considered. The plans show the wall but not any proposed amendments to the contours, so it shows half a picture:



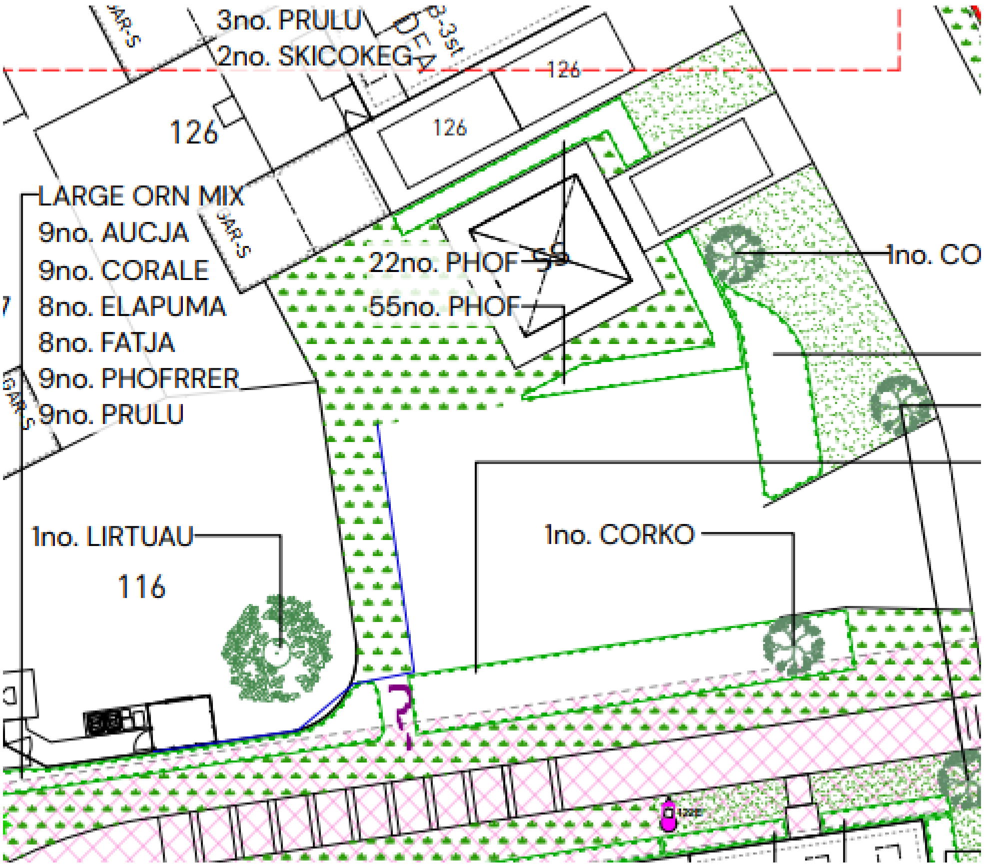
A foul pumping station is now proposed on approved POS, on a steep slope. It is proposed to be contained behind the 2.1m retaining wall. An approved POS path and planting would be obliterated by this proposal. Further details required.

Extract of FFLs sheet 5 and the Phasing Plan:

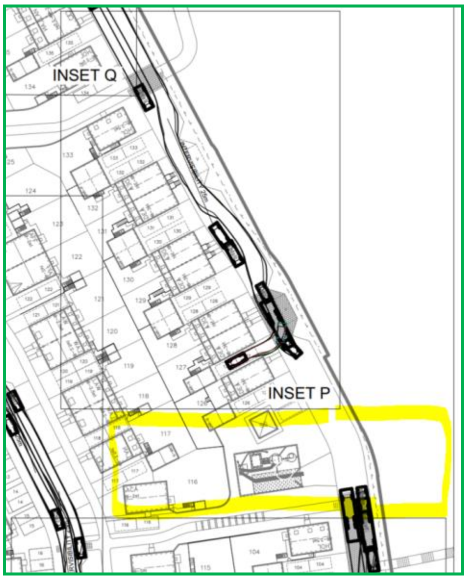


Amended. Page 2 of the Covering Letter Point 5 confuses the Pumping Station and the substation. It says *"5. Pumping Station. The substation has been relocated to within the site proper, next to plot 116"* The umping station is now shown adjacent to Plot 116 and the substation. The substation is shown adjacent to Plot 126 but its details are not included in any of the plan keys. The pumping station is enclosed by a Weld Mesh Material Fence however height details have not been provided in the Boundaries Strategy Plan. There is proposed shrub and hedgerow planting around the both the pumping station and the substation. There is only 1.2m width in between the two ornamental shrub beds that would provide maintenance access to the proposed area of grass POS behind the pumping station and the Substation. This is tight, and there is also a slope on this access route – possibly steeper than 1:2 but cross-sections have not been provided. Although it appears there will be a 1.8m brick wall on top of it, I have found no detail of the proposed retaining wall to the rear boundary of plot 116. This area is likely to attract anti-social behaviour and more thought needs to be given to the layout and landscaping here.

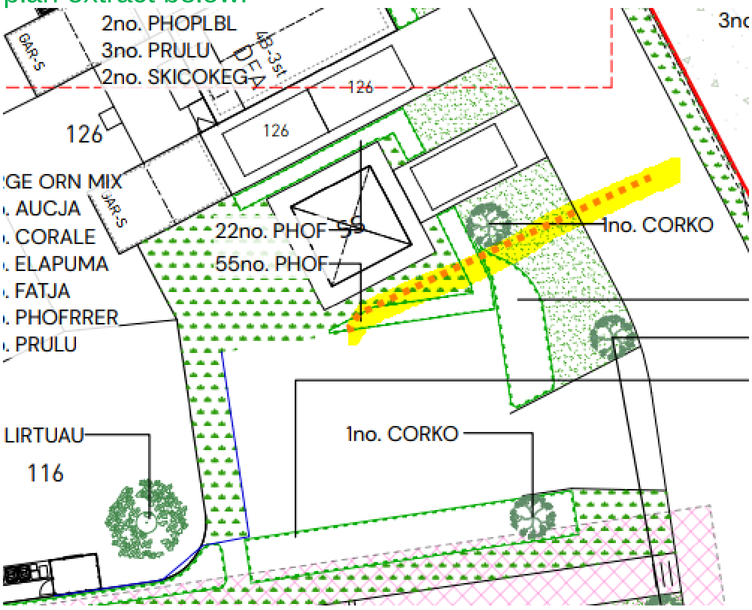
Adoption & Management Strategy rev A shows the substation and its access as an area to be transferred to the Management Company. As stated in my previous memo the substation should not be transferred to the Management Company; it should be conveyed to the utility company. There is also no clear demarcation between private and POS land. See notes on snips below:



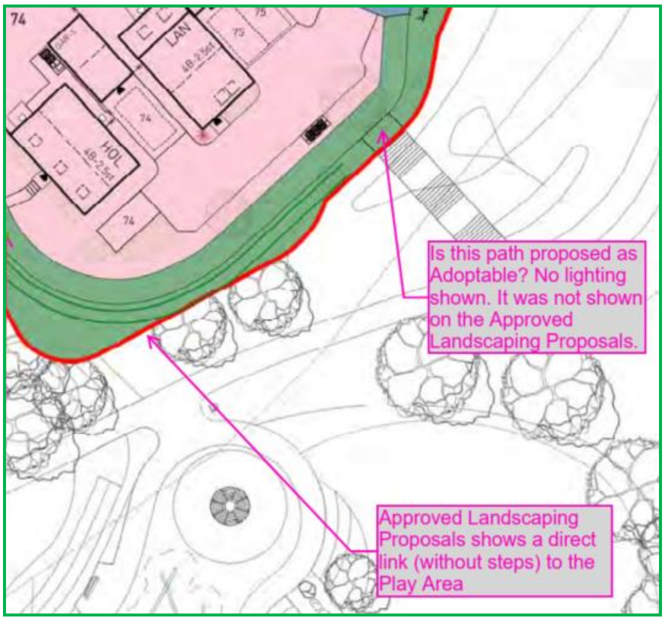
Not a POS matter however I note that the Pumping Station Location is not included in the Swept Path Analysis Plans. Access by tanker will need to be gained to the pumping station in the event of an emergency:

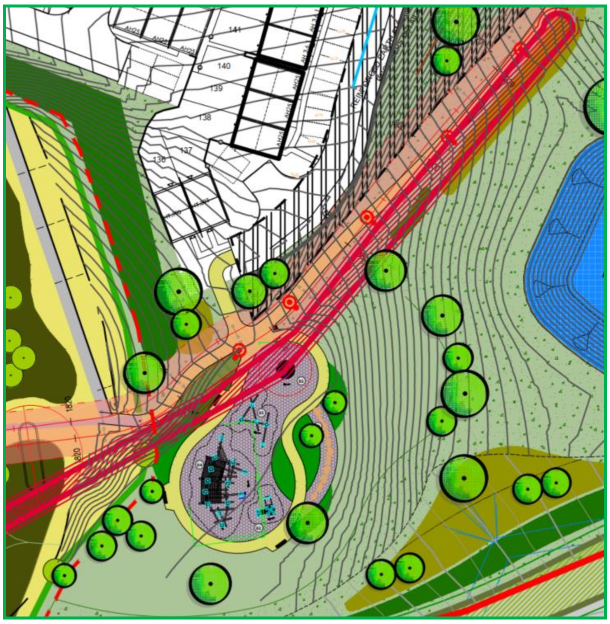


The foul rising main exiting the northern side of the pumping station would be situated less than 1.5m from a tree and there will be vigorous shrubs over part of it. It needs to be established beyond doubt whether this is acceptable to the statutory undertaker. I have superimposed the route onto the planting plan extract below:

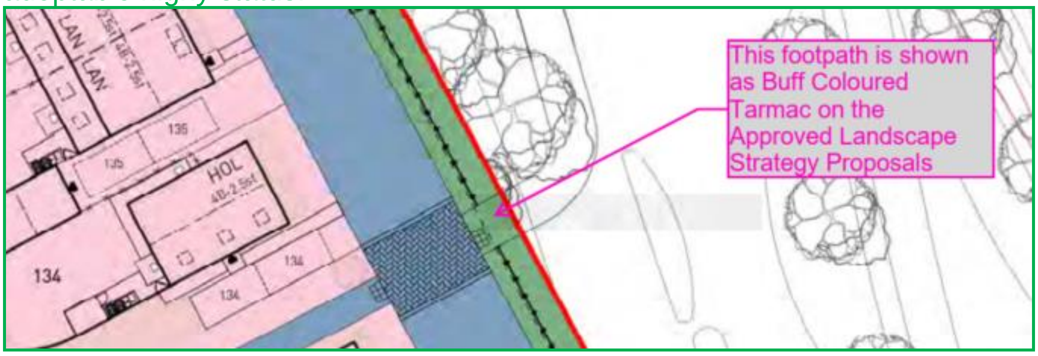


Other footpath links to the approved POS are also missing. This has not been addressed by the applicant. See snips below. The applicant should provide a plan/s that clearly show approved, as-built and proposed topography, and clarify why some of these links are no longer proposed. Amendments would be needed to approved plans but they would represent a retrograde step. Accessibility must not be made worse to the detriment of the residents and other POS users. Considerable effort was made during the hybrid application to achieve reasonable access routes:

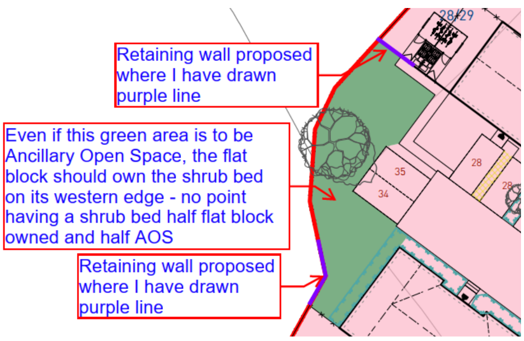


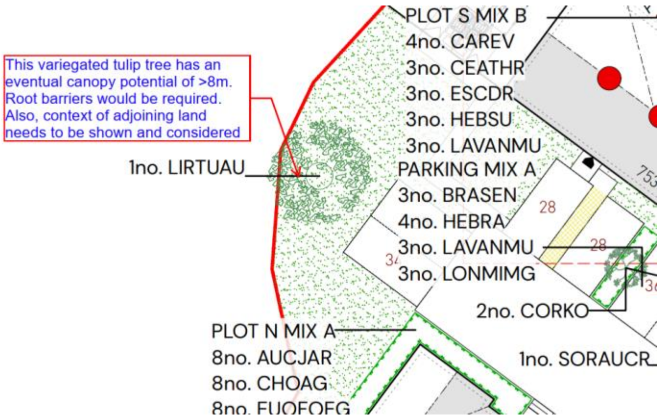


It is my recollection that the path through the approved landscape is due to have adopted highway status. If this is the case, the connecting section through to the carriageway also needs to have an adoptable highy status:

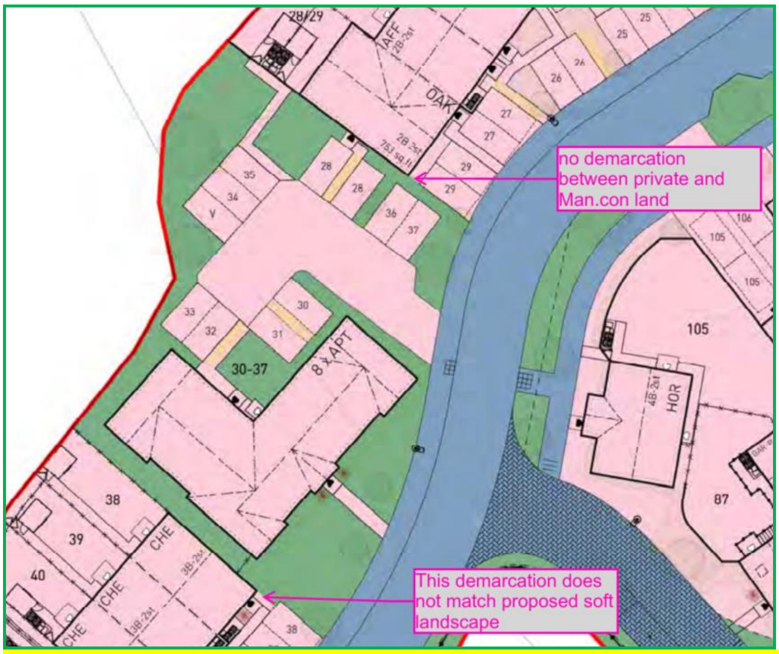


<u>Land surrounding parking bays 34 & 35:</u> *Shrubs/slivers of grass around dwellings and flats now properly assigned either to owners or management company.*

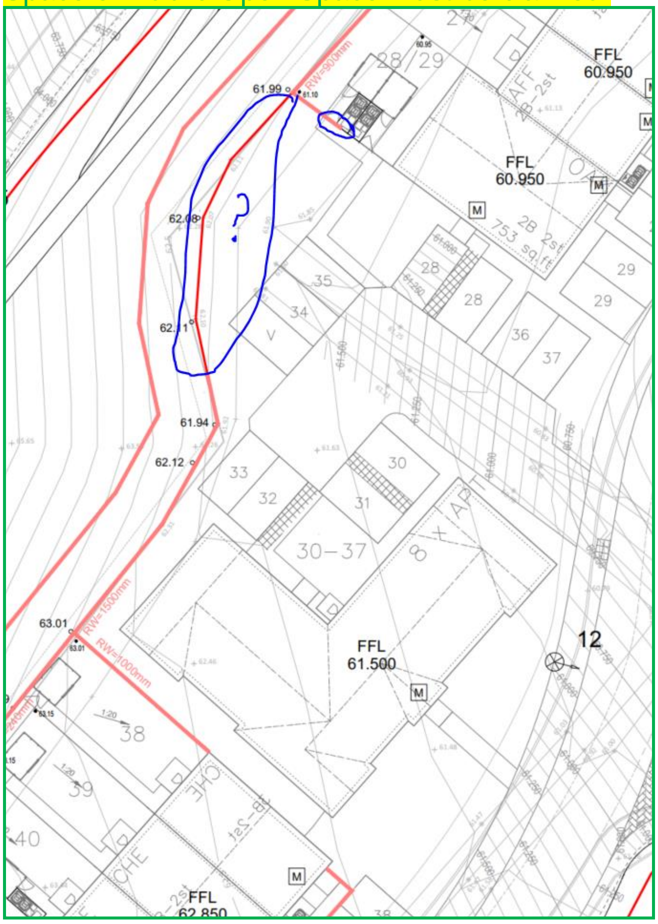


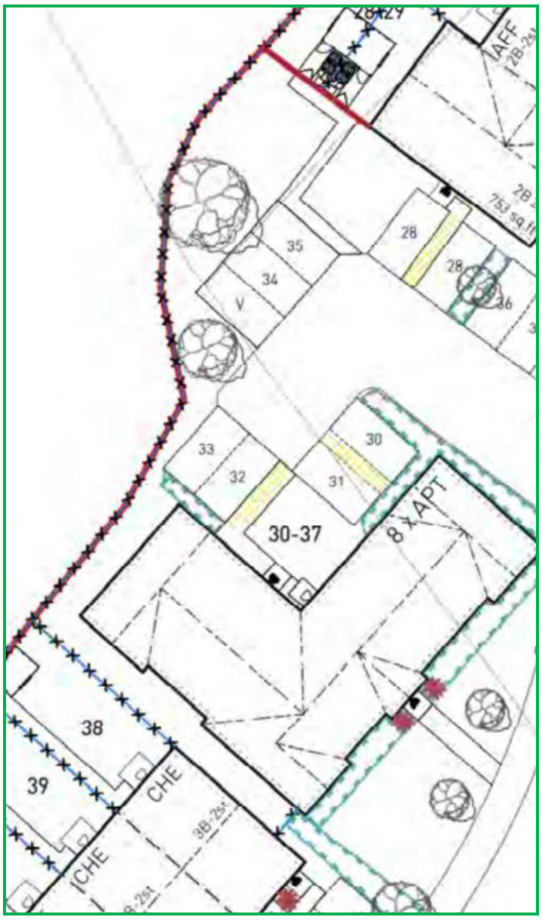


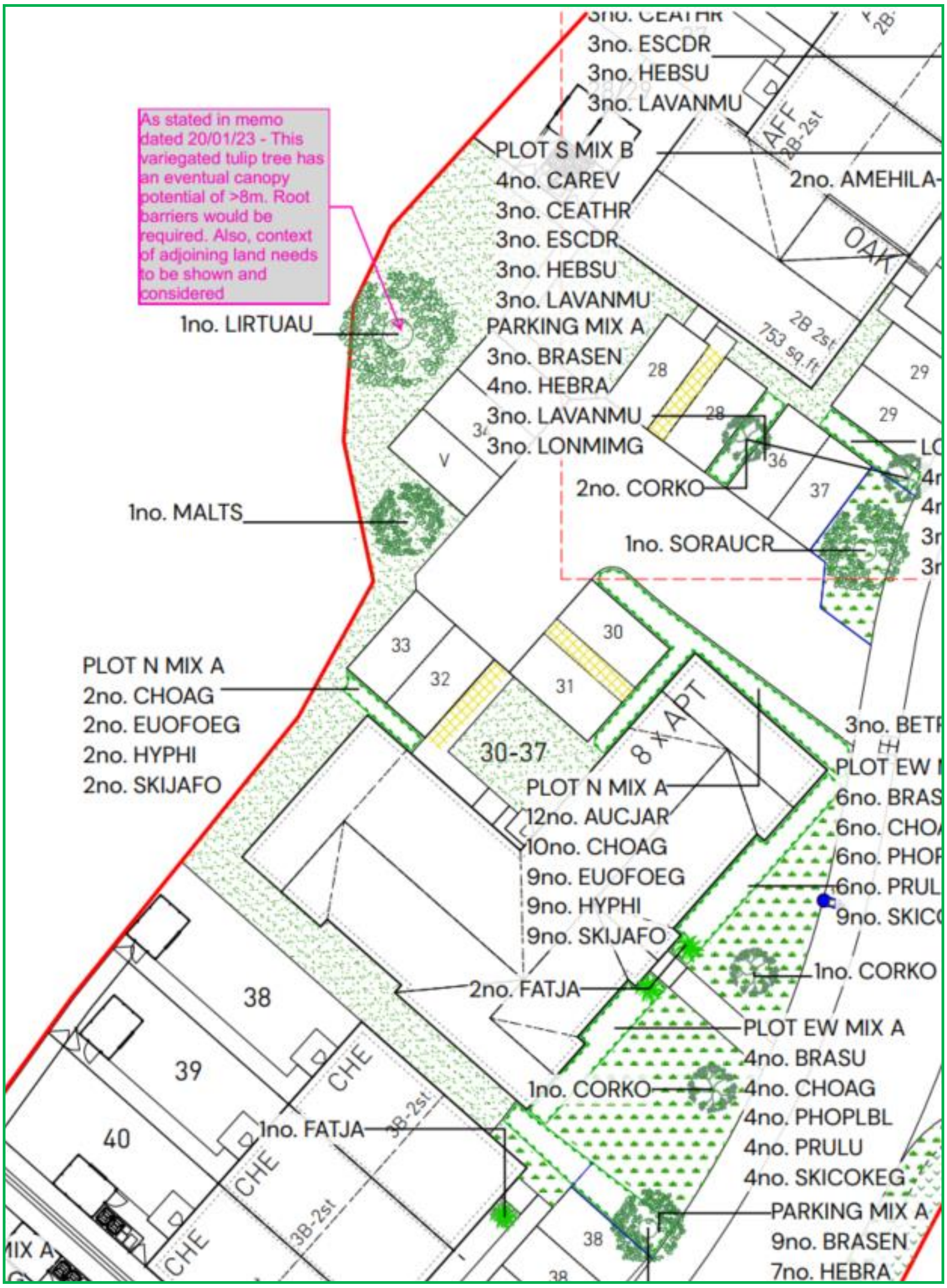
The layout of Flat Block plots 30-37 has been changed, however there are still anomalies. The details on the Boundaries Strategy Rev A do not match the FFLs sheet 3 P03 and the demarcation between private and Management Company does not match the Soft Landscape Proposals.



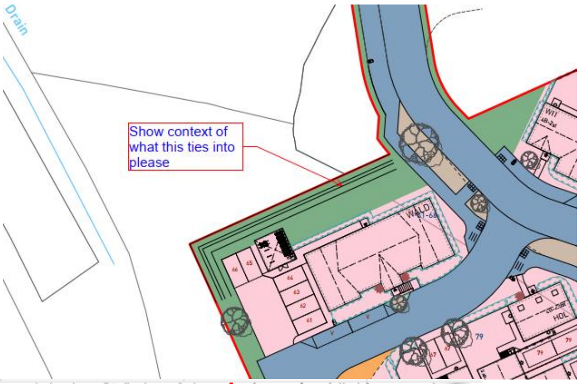
FFLs sheet 3 P03 shows a retaining wall across the entrance into the garden of plot 28. The Boundaries Strategy Rev A shows a 1.8m high brick wall running along the boundary of the gardens of plots 28 and 29. Additionally, ownership of any structures or retaining structures on the boundary of Ancillary Open Space or Public Open Space must be clarified.

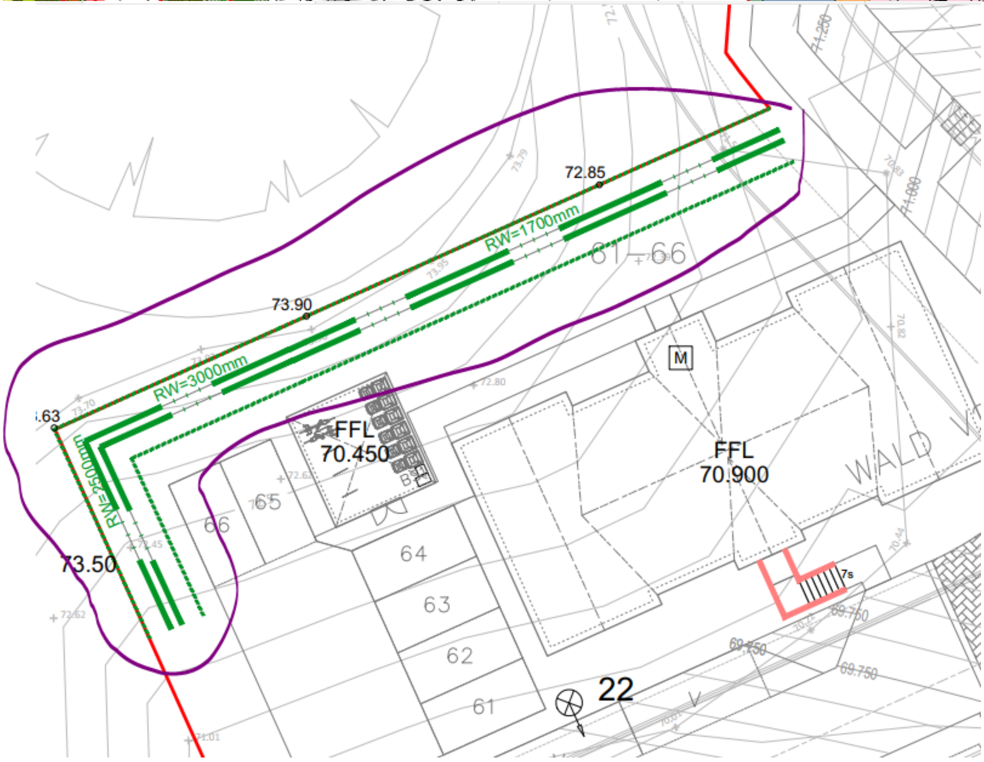






Note location of site boundary on extract of approved Landscape Strategy Proposal, HYB 001 H differs from the current RM site boundary shown on the Adoption Strategy. Also, a path appears to be shown north of the flat block on the proposed POS. Is this to be delivered or not? Details of the retaining structure and cross-sections required: Unresolved.



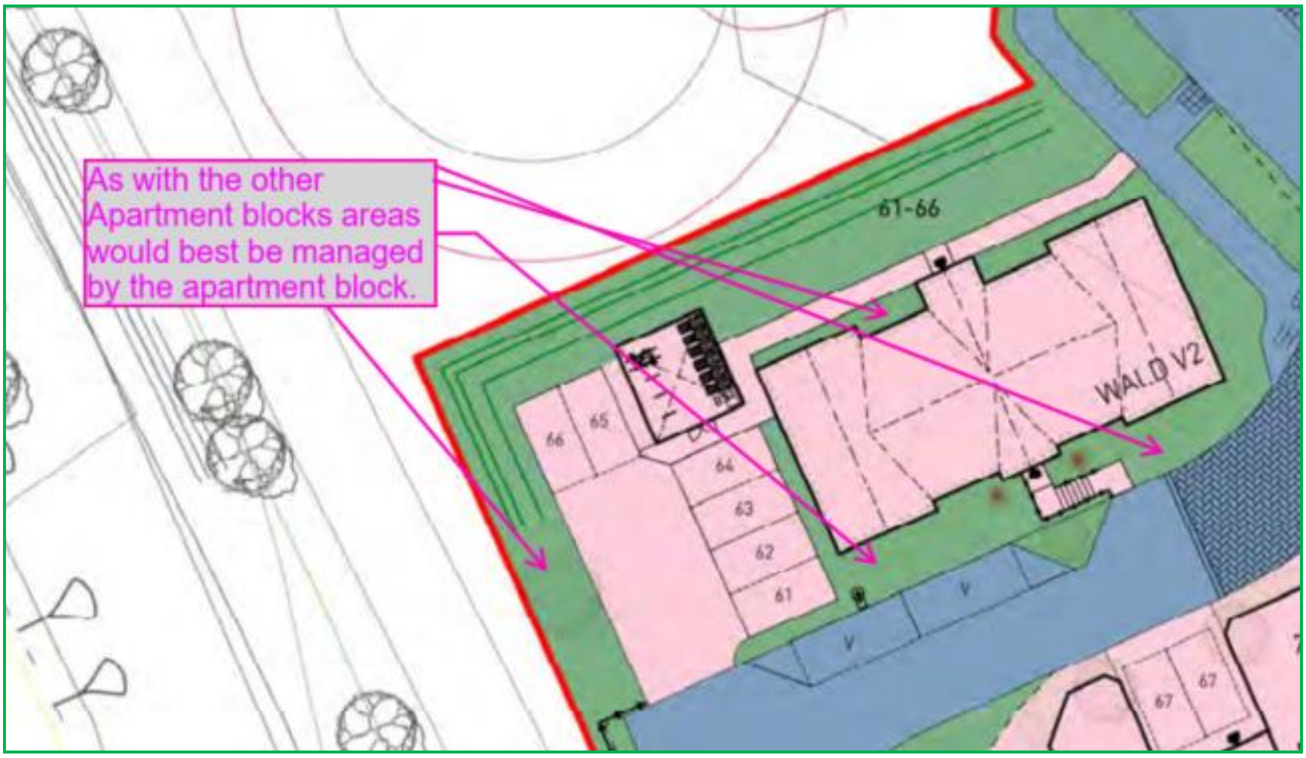


FFLs sheets general notes refer to engineers and specialist manufacture's drawings etc (see snip below), but I have been unable to find further details of the retaining structure:

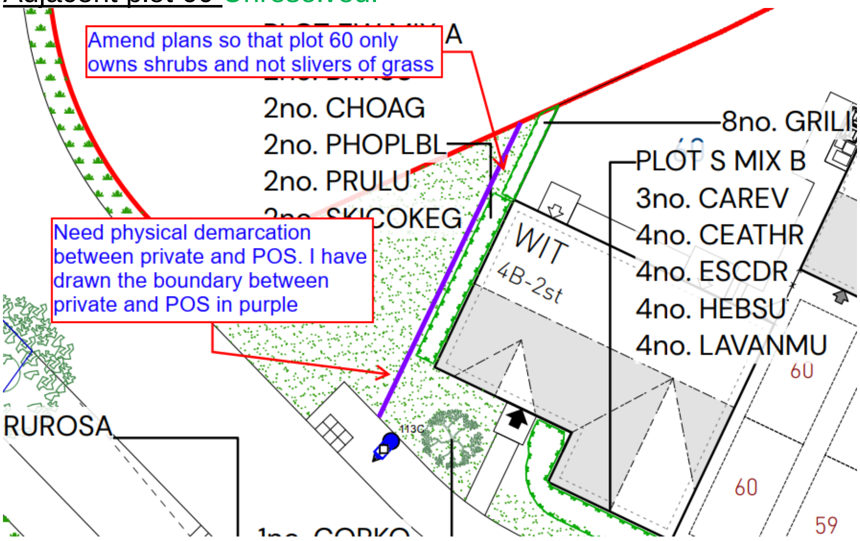
GENERAL NOTES:

1. All levels are shown in metres above Ordnance Datum (m AOD).
2. Contractor to verify dimmensions on site.
3. This drawing is to be read in conjunction with the relevant Architect's, Engineer's and specialist manufacture's drawings, reports and specifications.
4. The use of this drawing does not absolve the client from his responsibilities under the Health and Safety: The Construction Design and Management Regulations 2015. The Principal Designer is required to contact the engineering studio prior to permitting this drawing to be used in connection with any construction works.

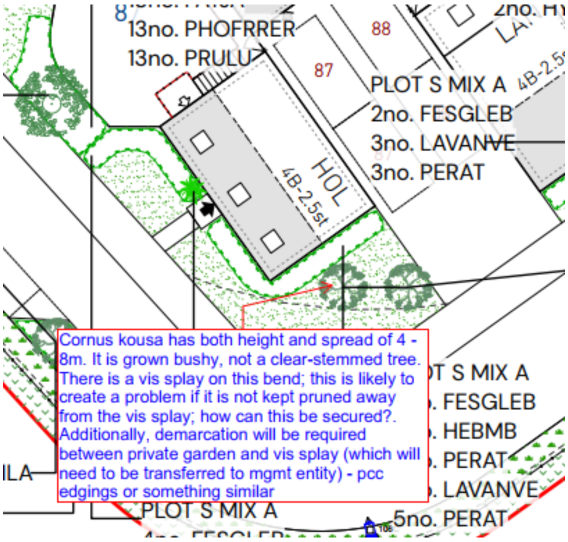
The Adoption Strategy needs consideration as to the proposed status of some areas. The area around the apartment block plot 61-66 is all proposed as Management Company. Some of it is not accessible from publicly owned land or public highway to maintain (i.e. you would need to cross private land) and should be owned and managed by the apartment block. New snip below of Adoption Strategy Rev A:



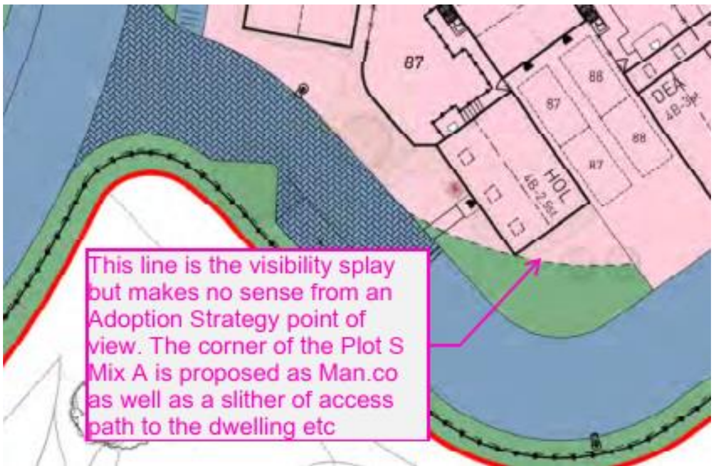
Adjacent plot 60 Unresolved.

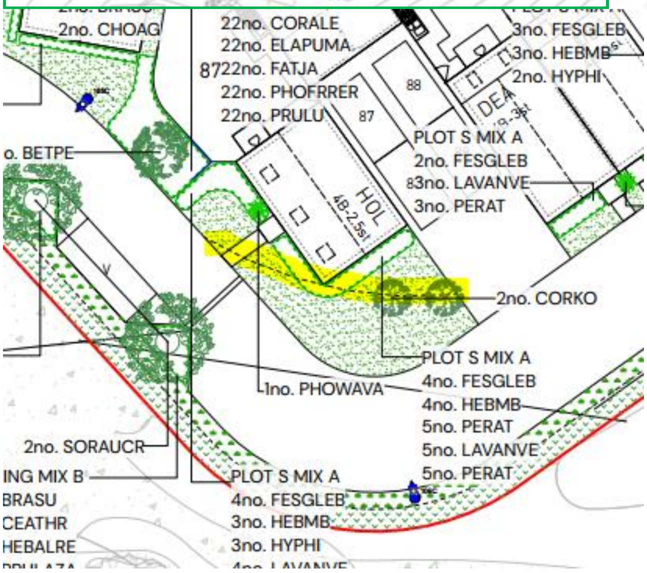


Adjacent plot 87 Unresolved.



I have added new snips below. My previous comments remain relevant. The Adoption Strategy Rev A follows the visibility splay but does not make sense from an adoption strategy point of view. The two Cornus kousa now sit marginally within the visibility splay – these will breach the vis splay requirements. The corner of the Plot S Mix A bed is proposed as both Management Company and private, and a slither of the private path into plot 87 is shown as Management Company. This arrangement does not work from a vis splay perspective nor from an adoption strategy perspective:

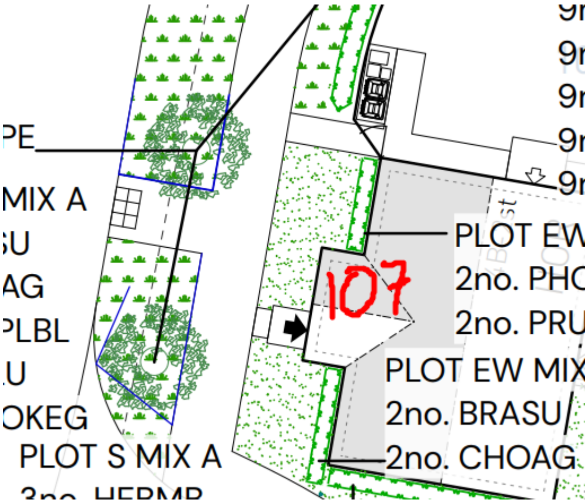




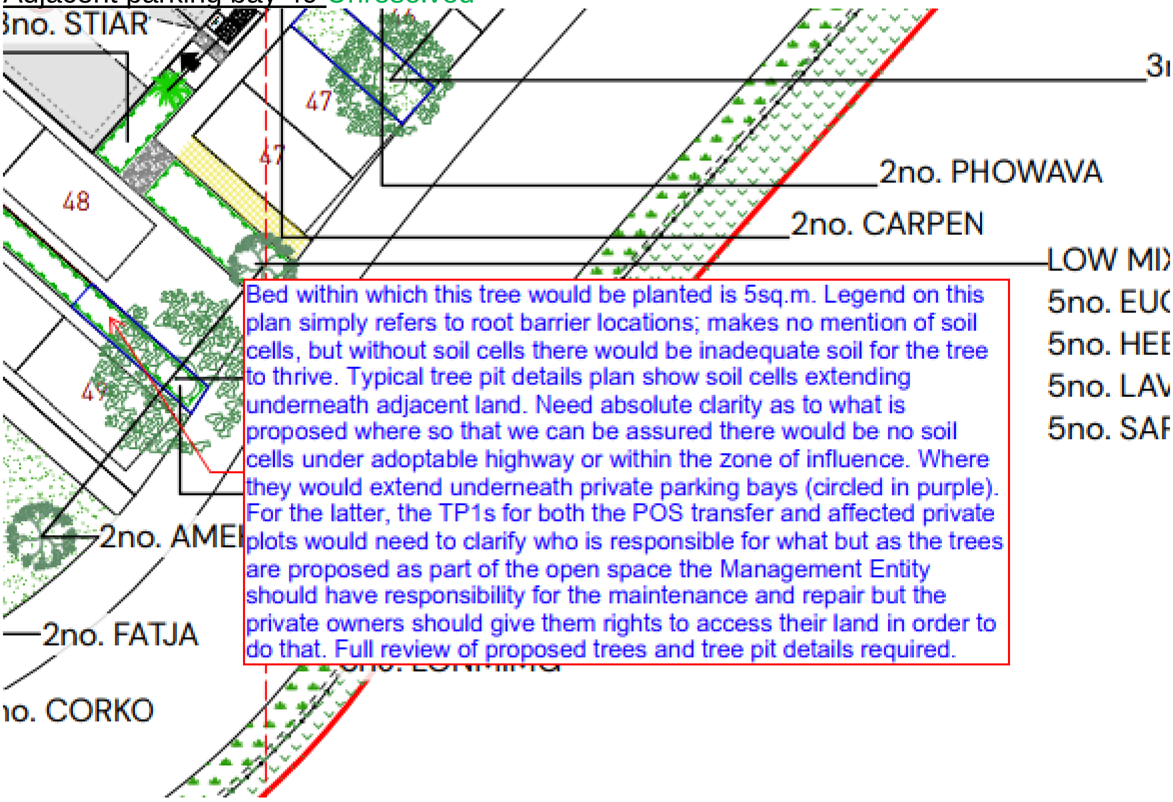
<u>Proposed trees – soil volume, root barriers, etc.</u>

The applicant needs to check that adequate soil volume is available for each tree, and that suitable measures are provided to cater for this, and to protect surfaces, services and structures (no matter the eventual status of these).

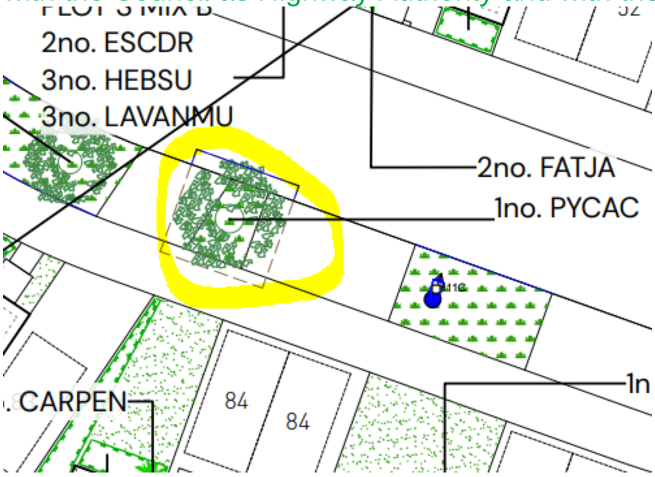
Root barriers shown are not provided to an extent that will provide adequate protection to services, structures and surfaces. The blue line on the example below shows the proposed extent of the root barrier. Birch (Betula pendula) has an expected canopy spread of 5m at 25 years and an eventual spread that can reach 8m. Root barriers are meant to extend 3m beyond expected canopy spread, so the barriers should extend much further; in the case of the southern tree, around the entire bed. The trees have been planted towards the back of the bed to avoid impinging upon the necessary vis splay, which is shown by a feint grey dashed line. *Changes to the design mean street trees have been given more space where possible. Typical tree pit details are provided.* Tree pit details have not been updated and there are issues that still need to be resolved.



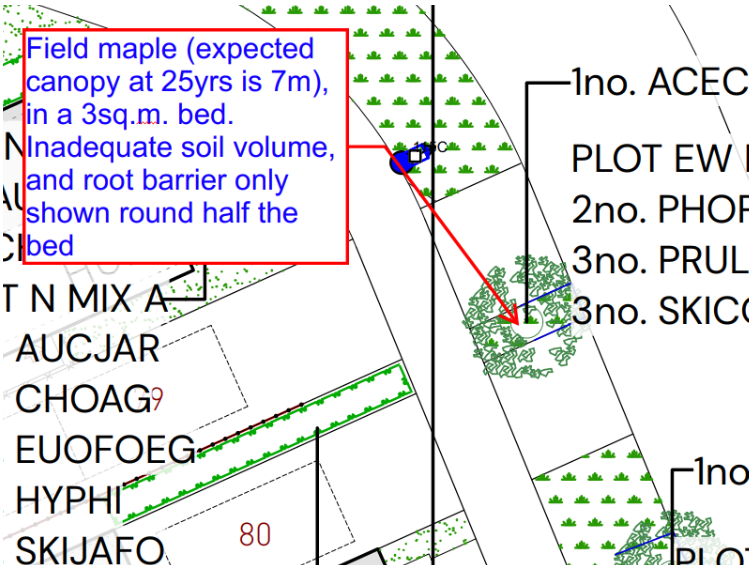
Adjacent parking bay 49 Unresolved



There are still very odd arrangements proposed for the tree pits, soil cells and root barriers. Soil cells are proposed extending under adoptable highway. See my notes in the extract above from my first set of comments. I can understand the desire to achieve tree cover, but it must be achieved in a way that does not compromise the adoptability of the highway. Please note I have not looked through the revised proposals extensively with regard to this matter, but the principles need to be discussed both internally with the Council as Highway Authority and with the applicant:

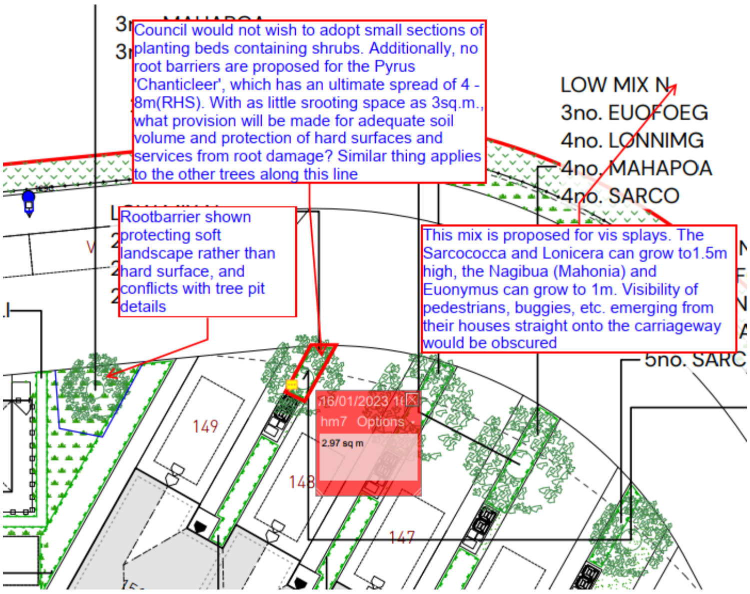


Another example, and again proposed as S38: Unresolved – no change to the proposed root barrier location/extent

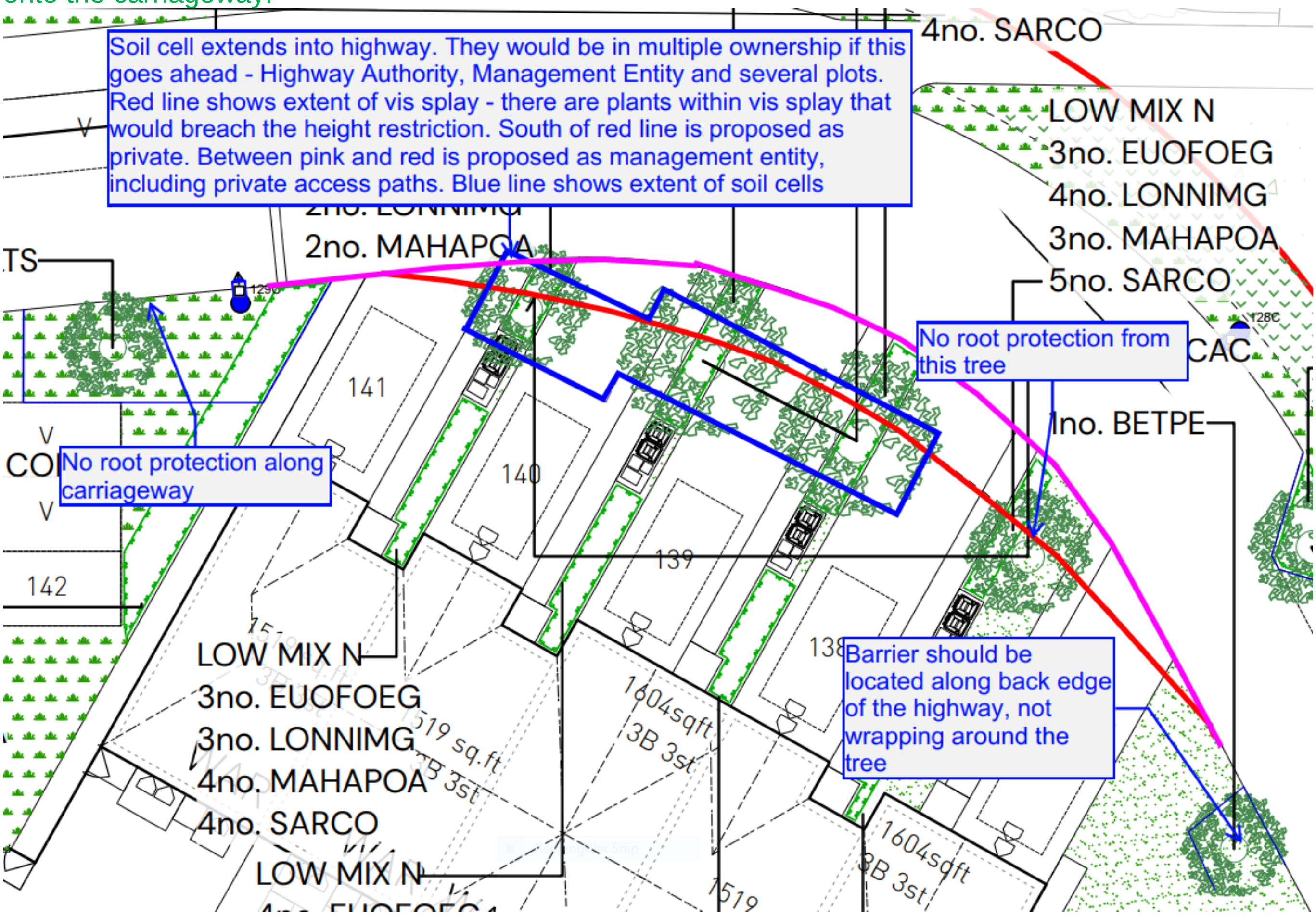


Another example at plots 146 – 149: Plots are now numbered 137 -141. Adoptable highway verge category has been removed from the Adoption Strategy Rev A and this area (visibilty splay) is now proposed as Management Company Area (see new snip further below for further comments on Adoption Strategy Rev A). Soil cells are shown for some of the trees; the same cells would be located under management entity and private land, and in some locations would be within the zone of influence of the highway. My concern regarding the mix proposed for the visibility splays also remains unanswered.

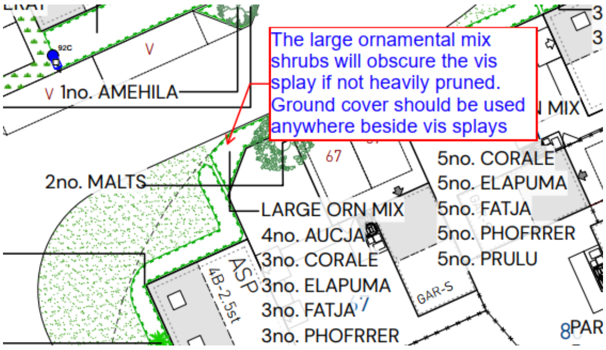
138

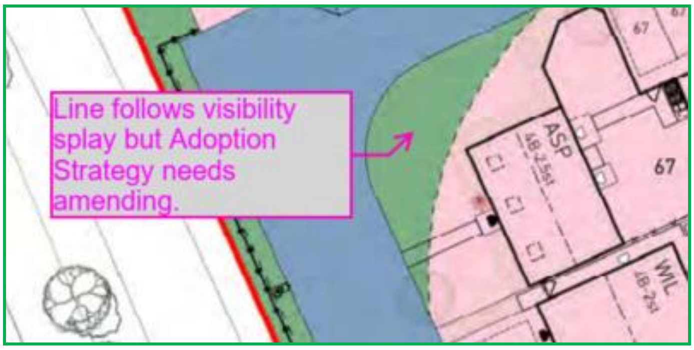


New snip from Soft Landscape sheet 1 Rev E. May issues not resolved, including pedestrians emerging onto the carriageway.



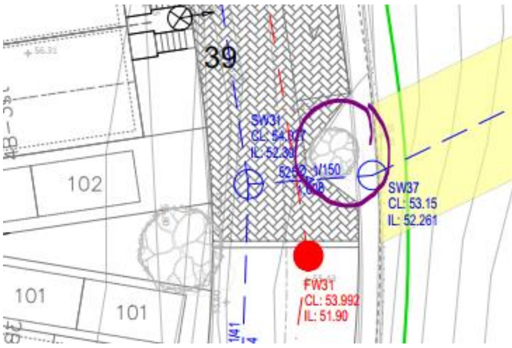
Proposed planting would impinge upon vis splays in various places: Unresolved and Adoption Stragegy shows that there is no demarcation between private and Management Company land and the current demarcation cuts across the prvate path into plot 67. New Snip added.

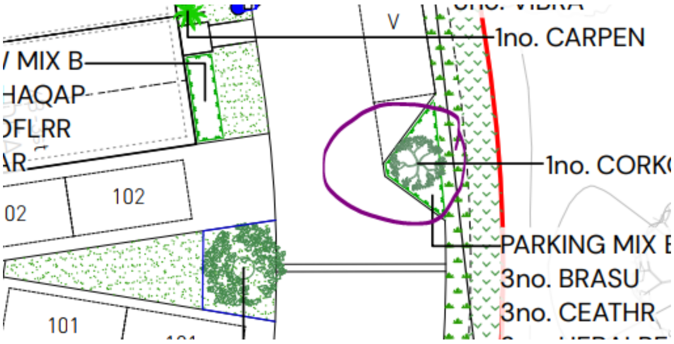




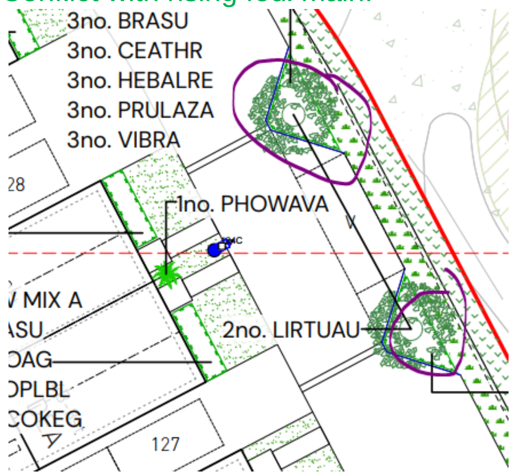
Examples of conflicts with proposed tree and services:

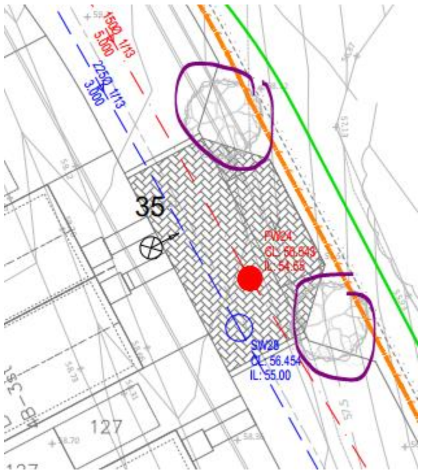
Conflict with storm wter drain:





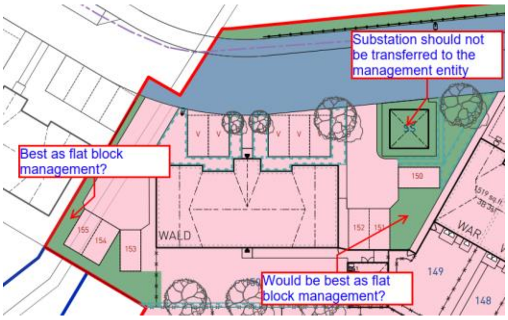
Conflict with rising foul main:

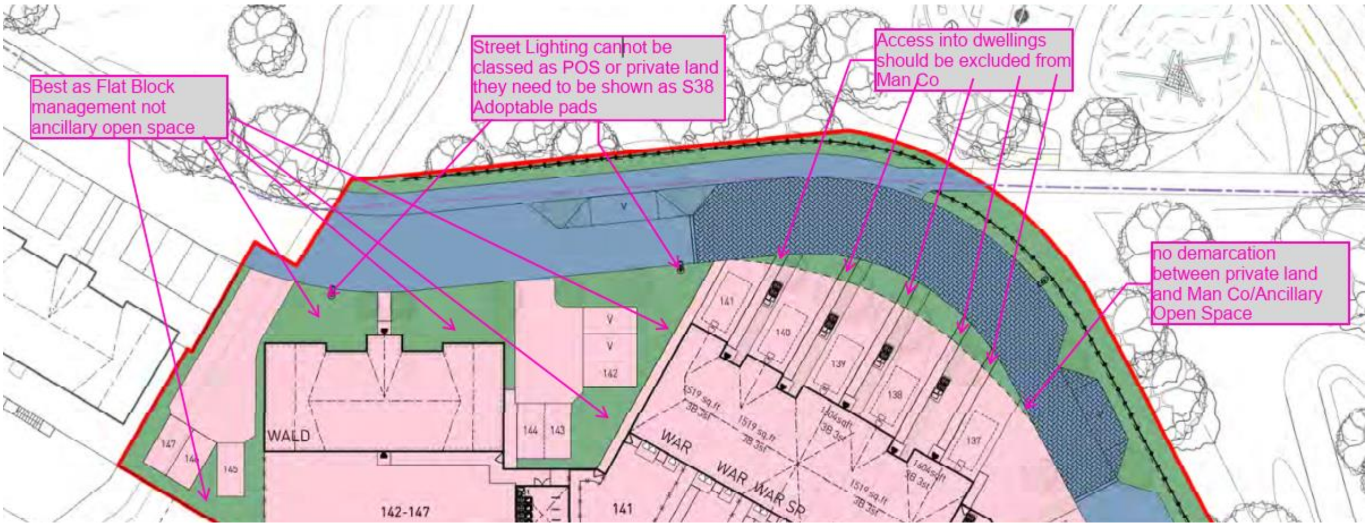




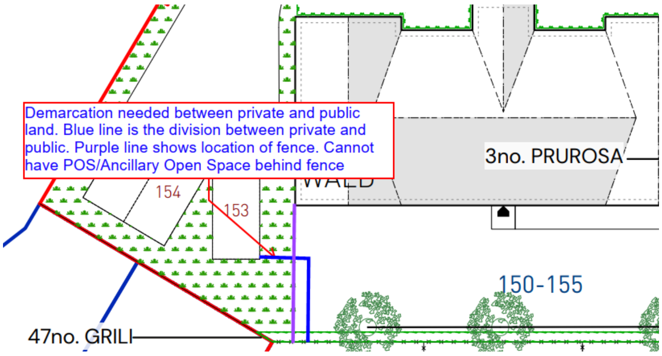
<u>Anomalies of areas proposed as POS/Ancillary Open Space:</u>

Whilst the definition of Ancillary Open Space in the S106 is suitable for such areas, I would have thought that the likes of the example below may be best transferred to the flat block management company? My comment has not been adressed. I have added a new snip from the Adoption Strategy Rev A.

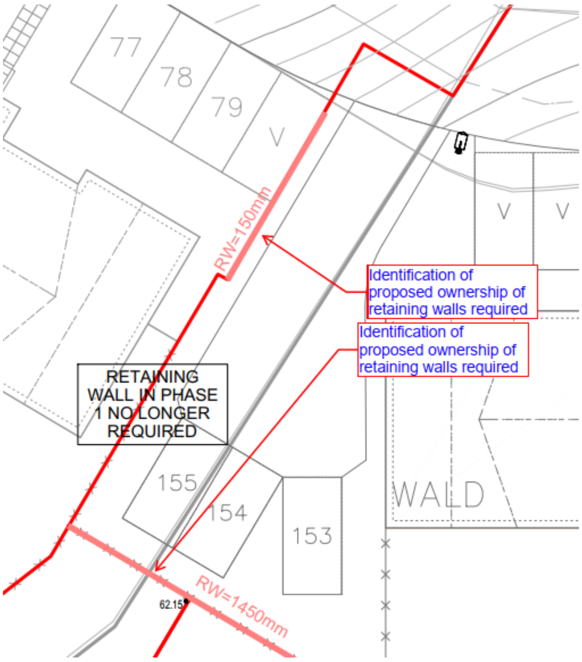




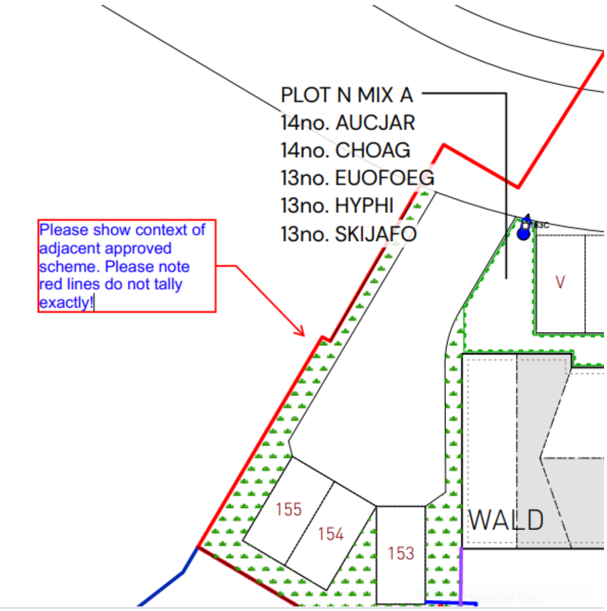
There are some anomalies with this same example too – the purple and blue lines were drawn on by me: Resolved



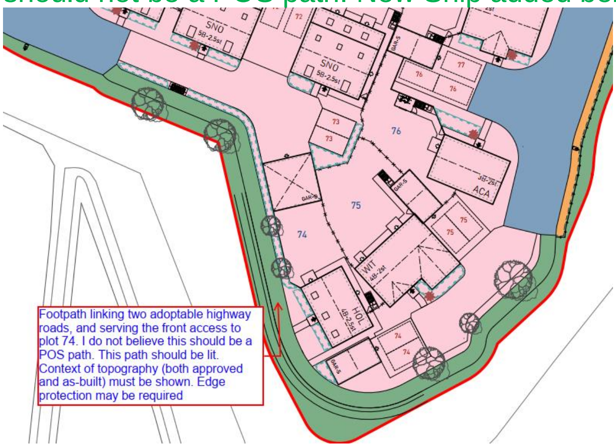
Additionally, retaining walls are shown on the "Indicative FFLs plans. Firstly, if they are still only indicative, how would you control what might be proposed if you resort to conditioning this plan? *The levels plan should NOT be marked as 'Indicative' as the FFLs marked are actual. Sections also now provided.*
Secondly, proposed ownership of retaining walls that are on the edge of POS must be clarified e.g.: Not resolved.



Context of the approved scheme should be shown on the plans. *Updated, now shown.* This will reveal various anomalies. Missing connections to approved POS, etc. *Updated, now shown.* Additionally, red lines do not tally, e.g.:*The red lines differ in relation to the provision of the self-build housing. Pegasus has discussed this seperately with the planning officer.* Context of adjacent approved scheme not shown.

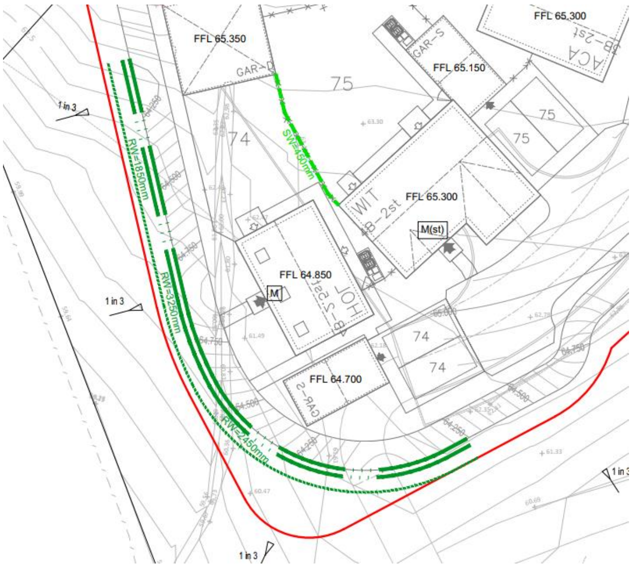


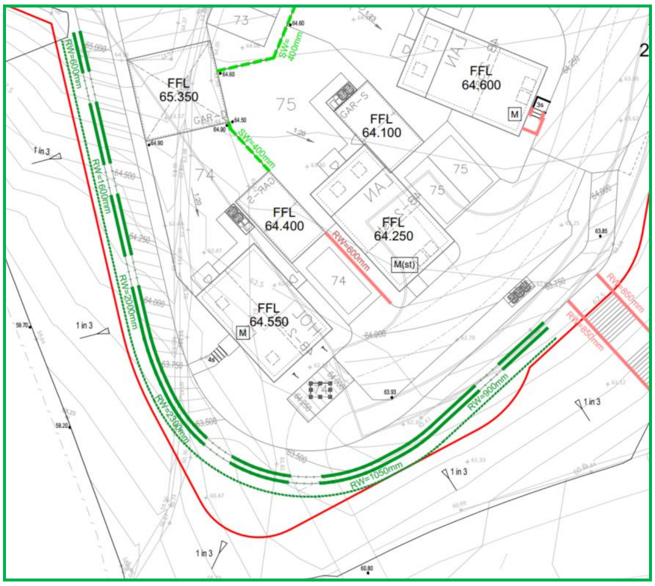
<u>Proposed status of paths</u> *The Adoption Plan makes clear which pieces of land are to be looked after by the Management Company.* The context has been added to the Adoption Strategy Plan Rev A however my following comment made in my memo dated 20/1/23 has not been addressed. Lighting Plan Rev B still does not show any proposed lighting for this path which is the primary access into plot 74. The path should not be a POS path. New Snip added below.

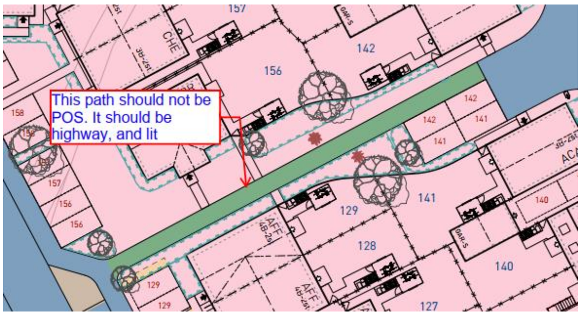


New snip of this area:

The following extract of the FFLs sheet 2 shows that a retaining wall with a height extending over 3m is proposed immediately adjacent to the path, with a 1:3 slope below the wall: The retaining wall has now been extended further along the path with a maximum height 2.3m proposed immediately adjacent to the path, with a 1:3 slope below the wall. “Tobermore wall or similar approved” is shown on the plan but I have seen no details. The path above should be a highway path, and the status of the wall retaining the highway will need discussion. New Snip added from FFLs sheet P03:

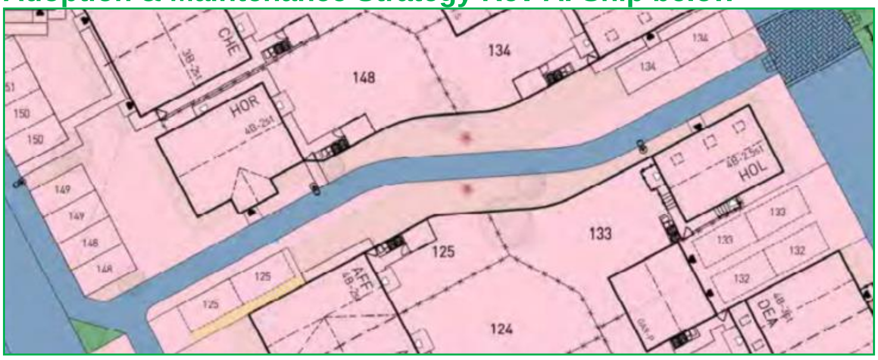


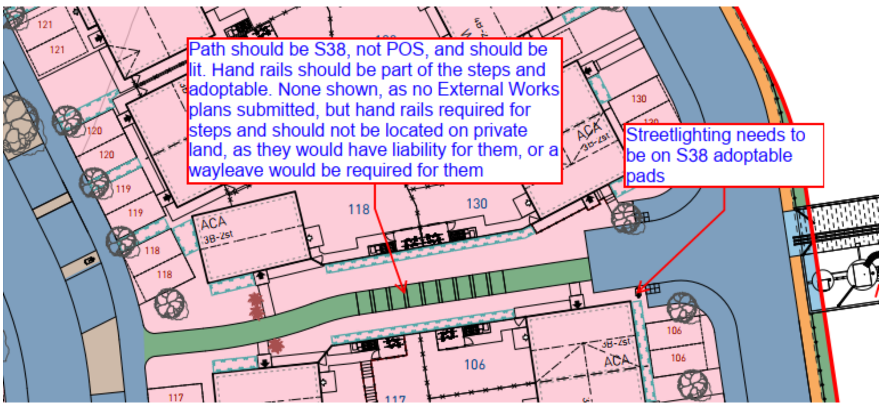




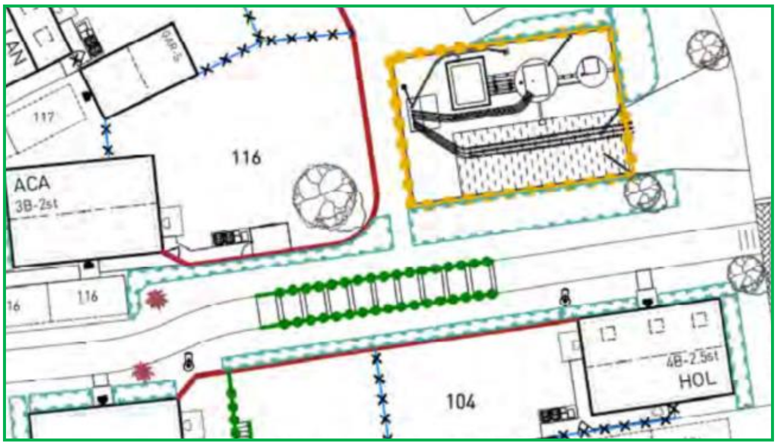
Resolved - this path is now shown as Adoptable Highway with street lighting. New snip below.

Adoption & Maintenance Strategy Rev A. Snip below





Path now shown as Adoptable Highway with street lighting. A retaining wall and 0.9m high anti fall rail proposed along the steps. I have been unable to find “Detailed Engineering Proposals” as referred to in the the Boundaries Strategy. No external Works Plans have been submitted. As stated in my memo dated 20/01/23, hand rails should not be located on private land as they would end up with liability for them, or a wayleave would be required for them.



Street lighting is still not shown as S38 adoptable pads. Example shown below. It is for the applicant to fully check their plans. Street lighting must not be shown as POS or as private land.

The scheme is currently unacceptable. The scheme is still unacceptable. A large number of my previous points remain unresolved.

Land at Hambrook Lane Stoke Gifford (ref. 0135e)

- Ecology officer (June 2023)
- Public Open Space officer (May 2023)
- Highways Team (April 2023)
- Urban Design comments (April 2023)

South Gloucestershire Council

Department for Environment and Community Services
Strategic Planning Policy and Specialist Advice
PO Box 1954
Bristol
BS37 0DD

Memorandum to: Eileen Medlin
From: Benjamin Goodger
cc:
Date: 11th June 2023
Your Reference: P22/02357/F
Our Reference:

Location:	**Land At Hambrook Lane, Stoke Gifford**
Description:	**Erection of 92 no. dwellings with access, landscaping, creation of open space and associated works.**
Reference No:	**P22/02357/F**

Dear Eileen

I have reviewed the new and updated documents submitted by the applicant in March 2023. I have also reviewed the previous ecology response of 16th February 2023 (Catherine Jones and Marie Fleming) and the response to these comments given by the applicant in Appendix 6 of the Planning Statement (Pegasus Group, March 2023).

The BNG assessment carried out demonstrates that there would be a net loss of 20.18 habitat units (-63.67%) and a net gain of 4.57 hedgerow units (56.84%). The applicant is proposing to address the loss of biodiversity through off-setting. Although off-setting can be part of the solution, I feel that not enough focus has been put on attempting to achieve BNG *on site*. Ideally, at least 10% net gain should be provided on site, but there should at least be net gain rather than net loss. The applicant should re-visit the site layout and look to provide more room for ecology, in particular along the south-eastern boundary, the central green corridor and the southern part of the site close to the Ham Brook.

I am content that all the other previous ecology comments have now been addressed satisfactorily (with the exception of Issues 114 and 115, which relate to BNG and habitat provision).

<u>Requirements prior to determination:</u>

1. The site layout should be revised and a new set of plans and documents submitted that demonstrate a net gain in biodiversity on site, rather than a net loss. Ideally a 10% net gain on site should be achieved, which would avoid the need for off-setting. If 10% gain is not possible, this should be justified, and updated proposals for off-setting should be resubmitted for consideration.

2. The great crested newt (GCN) District Level Licence (DLL) signed Impact Assessment and Conservation Payment Certificate (IACPC) should be submitted prior to determination.

<u>Requirements prior to commencement / conditions to be attached to planning consent:</u>

1. All of the mitigation measures outlined in the ES Ecology Chapter and Addendum, the various ecology survey reports, the GCN DLL and the badger licence application method statement should be included in a CEMP for the site. The CEMP should include: pre-commencement survey and relevant mitigation measures for invasive non-native species (INNS); pre-commencement survey for badger setts; reptile mitigation strategy including translocation and enhancement of receptor site; and precautionary working methods for all other protected species identified on site or potentially present on site (including GCN and roosting bats). All of the measures in the CEMP must be implemented during site clearance and construction.

2. The proposals for habitat retention, creation and enhancement indicated in the ES Ecology Chapter and Addendum, the ecology survey reports and the landscape plans should be included in an updated version of the Landscape Management and Maintenance Plan (LMMP), including longer-term management and monitoring activities. Management should be applicable for a minimum period of five years, although in relation to BNG this is to be for 30 years and include a monitoring regime to ensure habitats establish well and that wildlife features remain in good condition. The updated LMMP should include plans showing locations and extent of all habitats and wildlife features, and a timetable of activities. A Responsible Person / organisation needs to be stated and the method by which the protection of retained and created habitats and open spaces will be secured. The LMMP should demonstrate that the BNG proposed in the BNG assessment has been achieved. It should be submitted and approved by the Council.

3. Prior to commencement, details of operational phase external lighting should be submitted to and approved in writing by the Council. The details should clearly demonstrate that lighting will not cause excessive light pollution or disturb or prevent bat species using key foraging / commuting corridors and habitat features or accessing roost sites. It should be completed in conjunction with advice from the project ecologist, in line with the previously submitted lighting strategy. The details should include, but not be limited to, the following:

   i. A drawing showing sensitive areas and/or dark corridor safeguarding areas
   ii. Description, design or specification of external lighting to be installed including shields, cowls or blinds where appropriate.
   iii. A description of the luminosity of lights and their light colour including a lux contour map
   iv. A drawing(s) showing the location and where appropriate the elevation of the light fixings
   v. Methods to control lighting control (e.g. timer operation, passive infrared sensor (PIR)).

   All external lighting should be installed in accordance with the specifications and locations set out in the approved details. These should be maintained thereafter in accordance with these details. Under no circumstances should any other external lighting be installed unless agreed with the Council.

4. If justified and approved, the proposals for off-site compensation measures should be presented in a Habitats Management and Monitoring Plan (HMMP) for the offsetting

site to be submitted and approved by the LPA. This should include details of all the habitat creation and enhancement measures, and monitoring activities, that would take place, including an agreed delivery schedule. It should be accompanied by a letter from Tortworth Estate confirming their agreement to undertake the initial works and ongoing management as prescribed in the report. The measures in the report should be secured via legal agreement to ensure implementation. This will ensure that the BNG proposed in the BNG report will be achieved.

5. The Council would require receipt of the GCN DLL certificate prior to commencement.

National Planning Policy Framework (NPPF) and Local Plan Policy (South Gloucestershire Local Plan: Policies, Sites and Places Plan (PSP) (adopted November 2017)) context:

- *NPPF Para 170 - 182 (Conserving and Enhancing the Natural Environment, Habitats and Biodiversity), National Planning Policy Framework[1]*
- *PSP18 - (Statutory Wildlife Sites: European Sites and Sites of Special Scientific Interest (SSSIs)) - South Gloucestershire Local Plan (PSP Plan)*
- *PSP21 (Wider Biodiversity) - South Gloucestershire Local Plan (PSP Plan)*
- *CS9 (Managing the Environment and Heritage) - Core Strategy*
- *CS2 (Green Infrastructure) - Core Strategy*
- *PSP3 (Trees and Woodland) - South Gloucestershire Local Plan (PSP Plan)*

The Environment Act 2021 contains provisions for the protection and improvement of the environment, including introducing Biodiversity Net Gain (BNG).

Wildlife legislation context:

- *Wildlife and Countryside Act 1981 (as amended)*
- *Conservation of Habitats and Species Regulations 2017*
- *Natural Environment and Rural Communities (NERC) Act 2006*
- *Protection of Badgers Act 1992*

I trust this information is helpful.

Kind regards

Benjamin Goodger
Ecological Planning Advisor

[1] The NPPF Paragraph 179 states: “To protect and enhance biodiversity and geodiversity plans should: b) … identify and pursue opportunities for securing measurable net gains for biodiversity.”

South Gloucestershire Council

Department for Place
PO Box 1954, Bristol, BS37 0DD

PLANNING APPLICATION RE-CONSULTATION RESPONSE

Memorandum to: (Case Officer)	Eileen Medlin, Senior Planning Officer
From:	Heather Cameron, Public Open Space Officer
Email:	heather.cameron@southglos.gov.uk
cc:	
Date:	19/05/23
Planning Application Number:	P22/02357/F
Site Address:	Land At Hambrook Lane, Stoke Gifford, BS34 8QB
Description of Development:	Demolition of 14 Hambrook Lane. Erection of 92 no. dwellings with access, landscaping, creation of open space and associated works

SUMMARY OF POS SECTION 106 REQUESTS	
Off-site POS provision/ enhancement contribution	**TBC (See table below)**
Off-site POS maintenance contribution	**TBC (See table below)**
On-site POS	**TBC (See table below)**
POS inspection fees if private management proposed	**£70.29 per 100sq.m.plus £676.87 core service fee**

Eileen, I have started a new memo for this re-consultation due to the changes in layout and dwelling mix. Please note that the revised Engineering Layout sheet 1 Rev D has not been uploaded onto Idox properly and there also seems to be missing cross-sections, details of retaining walls, etc.

Planning Policies

Delivery of sustainable communities requires provision of a full range of open spaces which support residents' health and social well-being. Such facilities are important for the successful delivery of national and local planning policies as well as many of the objectives of the Sustainable Community Strategy and Council Plan. Requirements for open space are exempt from CIL and are dealt with using S106.

Relevant planning policy includes:
South Gloucestershire Local Plan Core Strategy (adopted Dec 2013) Policy CS24:
Green Infrastructure, Sport and Recreation Standards.
NPPF, including paragraphs, 130, 93, 98 and 99.
NPPG
National Design Guide

Predicted future population of proposed development

Using current average occupancy data and the proposed number of dwellings summarised in the covering letter from Pegasus Group dated 29/3/23, we estimate the proposed development of 92 dwellings (consisting of 77no. houses, 9no. two bed flats and 6no. one bed flats) and the demolition of 1no. dwelling would generate a population increase of 204.9 residents.

Public Open Space (POS)

Set out below are comments and recommended S106 requirements needed to address the impacts of the proposed development on public open space. These are based on the above dwelling mix and expected future population.

This is a new residential development and it is reasonable to expect the future residents to have access to a full range of open spaces. Where existing provision, in terms of quantity, quality and accessibility would be inadequate to meet the needs of future residents, then new provision and/or enhancement must be made in accordance with the appropriate local standards set out in Core Strategy Appendix 5.

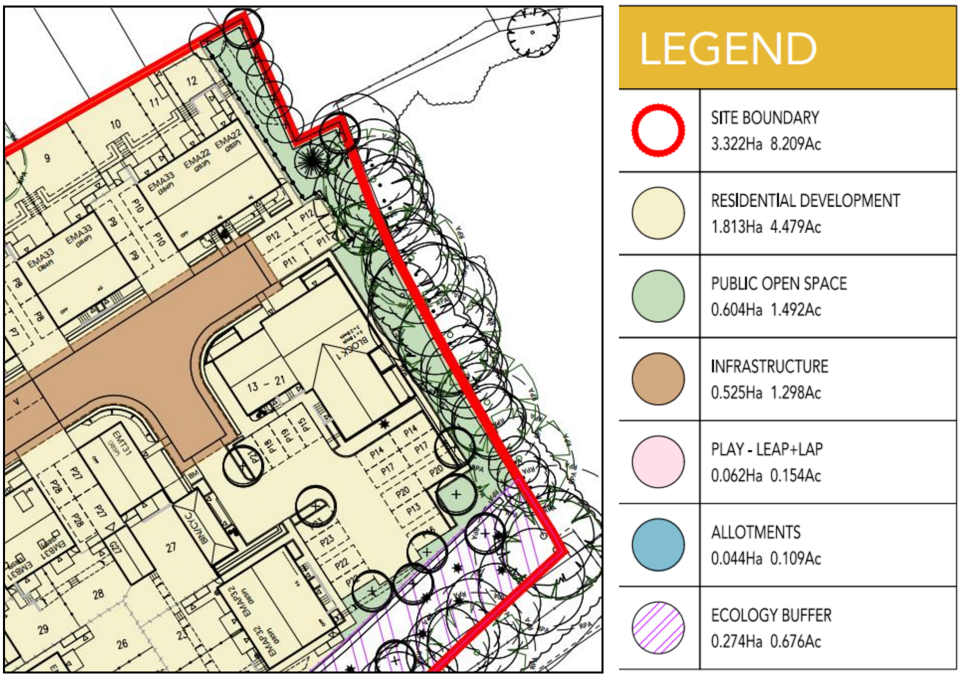
The following table shows the **minimum** open space requirements arising from the proposed development and shows the contributions that will be requested if open space is not proposed on site. Providing more than the minimum policy requirement of one category of POS does not mitigate for provision of less than the minimum policy requirement of another category.
Policy CS24 requires provision to be delivered on site unless it is demonstrated that partial or full off-site provision or enhancement creates a more acceptable proposal:

Category of open space	Minimum spatial requirement to comply with policy CS24 (sq.m.)	Spatial amount proposed on site (sq.m.)	Shortfall in provision (sq.m.)	Contributions towards off-site provision and/or enhancement	Maintenance contribution
Informal Recreational Open Space (IROS)	2,378.85	6040 (quantity stated on POS Plan Rev A) however this figure includes circa 369sq.m that is inaccessible	Circa 247	TBC	TBC
Natural and Semi-natural Open Space (NSN)	3,073.5			TBC	TBC
Outdoor Sports Facilities (OSF)	3,278.4	0	3,278.4	£191,048.43	£57,824.09
Provision for Children and Young People (PCYP)	489.75	515 (see notes below)	0	To be provided on-site	
Allotments	409.8	435	0	To be provided on-site	

Comments on proposed on-site provision
Please note that the calculations for Public Open Space requirements contained in the Open Space Assessment V2 are slightly different from our calculations. Our calculations are based on the dwelling mix detailed in the Covering letter from Pegasus Group dated 29/3/23, in accordance with CS24.

Informal Recreational Open Space and Natural and Semi-natural Open Space

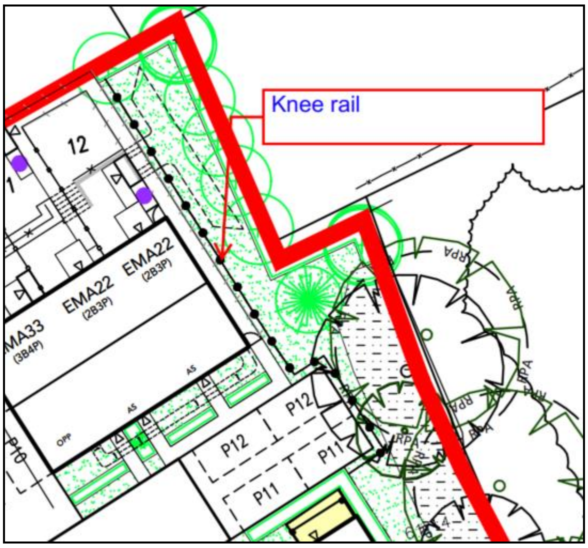
The Open Space Assessment V2 states that there is 0.6ha of Informal Recreational & Natural and Semi-natural Open Space. POS Plan Rev A indicates 0.604ha. As stated in my previous memos, areas that are not publicly accessible e.g. not accessible from a public highway cannot be classed as Public Open Space but would be considered as ancillary open space in a S106 agreement to secure their ongoing management and maintenance in perpetuity.
The area on the eastern boundary of the development proposed as POS on POS Plan Rev A cannot be classed as POS as it is not accessible, but it would be considered as Ancillary Open Space and should be labelled as such on the POS plan, extract below:



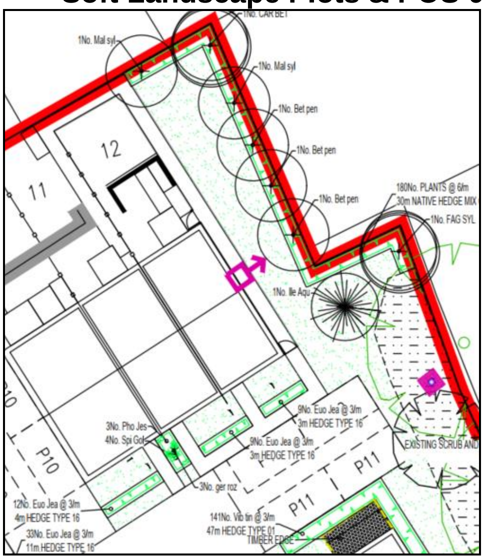
As with previous submissions there are anomalies between plans. I have given just <u>some</u> of the examples below. The applicant must ensure that all plans match. **We cannot properly assess the application without plans that match.**

Example 1
450mm knee rail proposed along edge of open space shown in Planning Layout Rev B but not in the Hard and Soft Landscape Proposals for Plots and POS 02 Rev H. Snips below. How will access for maintenance of this area of open space be achieved?

Planning Layout Rev B

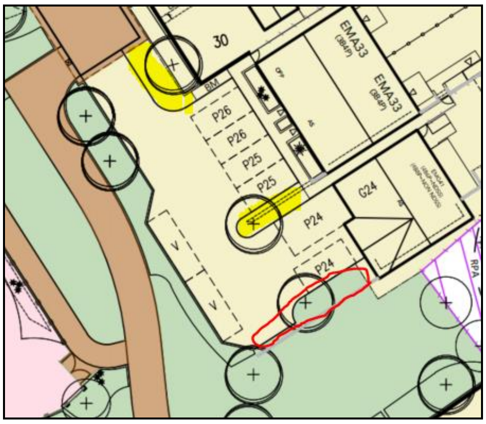


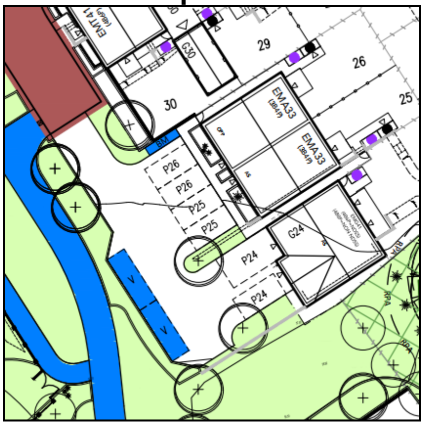
Soft Landscape Plots & POS 02 Rev H



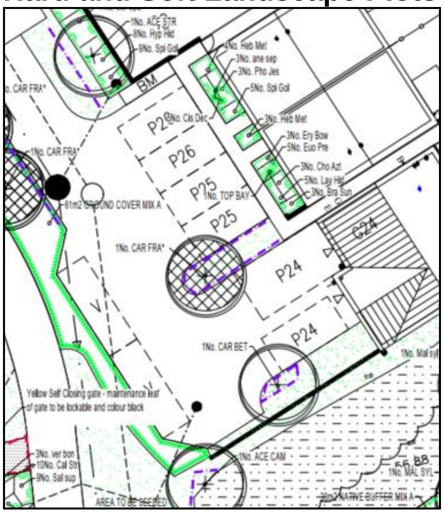
Example 2
Areas (highlighted yellow in snip below) proposed as Residential Development on POS Plan Rev A but as Soft Landscaping to be maintained by Management Company on Adoption Plan Rev B. They could be considered as Ancillary Open Space in the S106 agreement to secure their upkeep but as they are on private driveway I am unclear why they are not proposed to be conveyed privately. The area circled red should be excluded from the POS plan. It sits atop a retaining and would be best conveyed to the plot, as it will be their front garden total. The tree pits in between car park spaces P25 and P24 and in between P24 and the proposed retaining wall are inadequate.

POS Plan Rev A **Adoption Plan Rev B**





Hard and Soft Landscape Plots & POS 02 Rev H



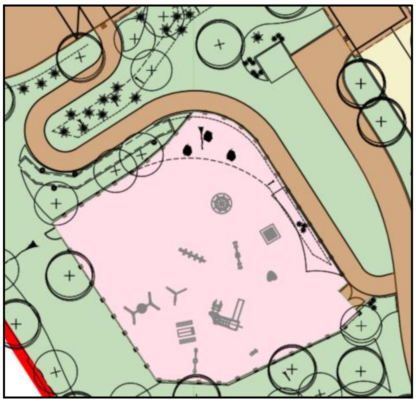
Foul sewer appears very close to proposed tree but the connection is not shown on the FRA. Part of soft landscape proposed as highway. Would be preferable for tree to be outside of private curtilage. **Hard and Soft Landscape Plots & POS 01 Rev H**

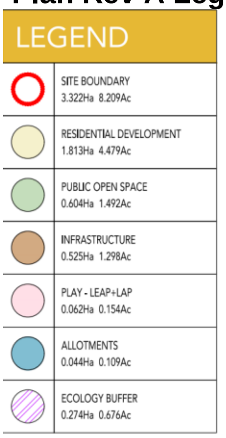
Same issue here

POS Plan Rev A **Adoption Plan Rev B**

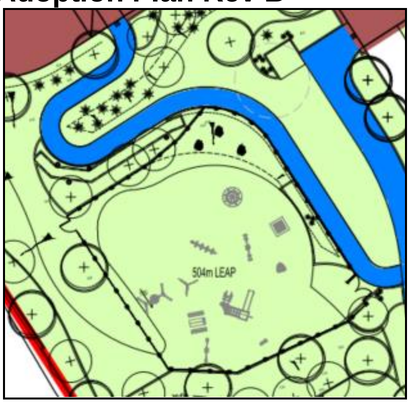
Example 3
Footpath and cycle/footpath through POS shown as Infrastructure on POS Plan Rev A. If any of these paths are proposed to be lit and function as highway then they should not be shown as POS or “hard landscaping to be maintained by management company”. Discussion and confirmation required with Highway/transport colleagues.
Path through POS is 2m wide bitumen macadam with flat topped PCC edging. A bollard located on the northern entrance to the POS is shown on External Works 1 as 100mm high, this must be a typo in the legend; surely it should be 1,000mm. Measuring from the plan the bollards are shown as being 450mm, with 750mm space on each side to pass. Is this really the bollard dimensions? Width for passing is too narrow:

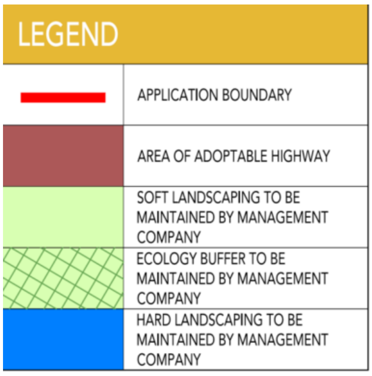
POS Plan Rev A **POS Plan Rev A Legend**





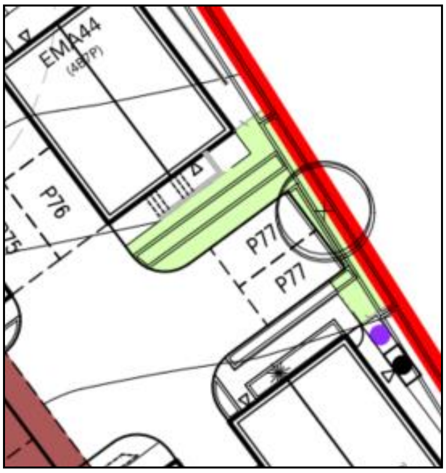
Adoption Plan Rev B **Adoption Plan Rev B Legend**

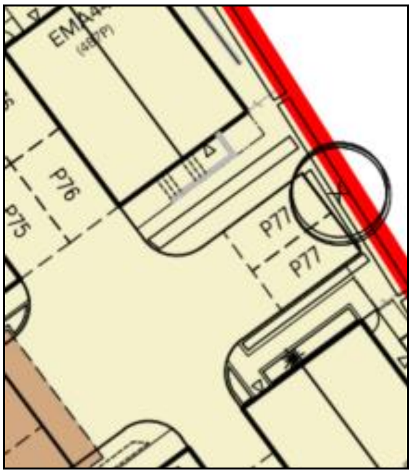


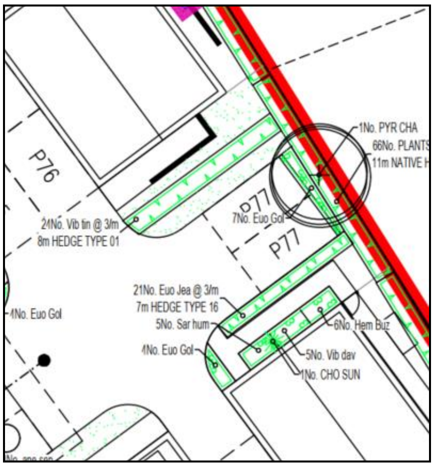


Example 4
Soft Landscaping to be maintained by Management Company proposed behind hedges (plots 76, 77) and part of hedge outside plot 77. The area (which needs amending) proposed as Soft Landscaping to be maintained by Management Company should be shown as ancillary open space on the POS plan.

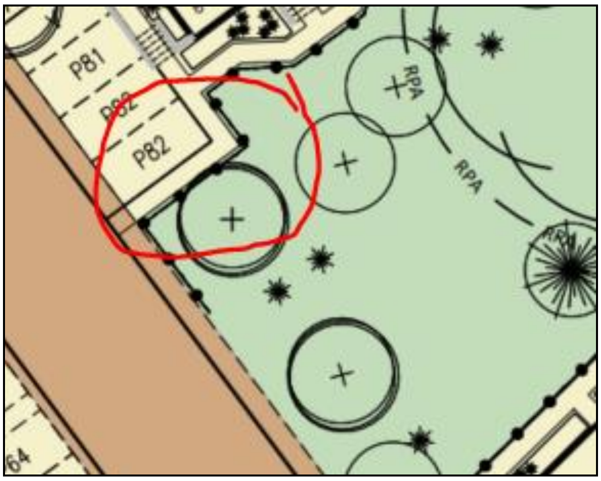
Adoption Plan Rev B **POS Plan Rev A** **Hard and Soft Landscape Plots & POS 01 Rev H**



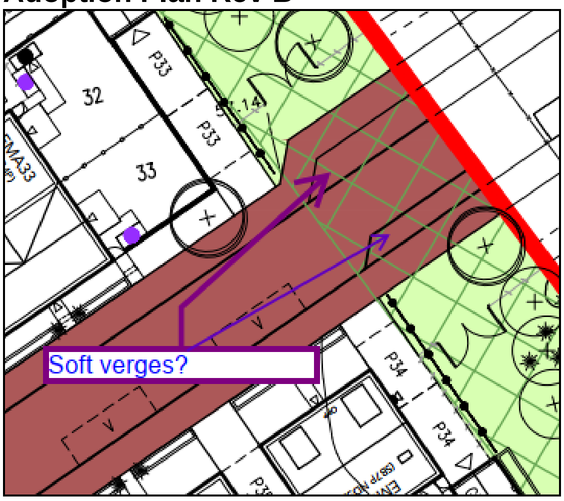


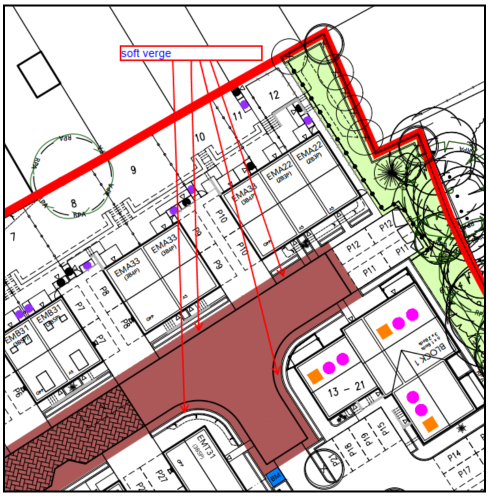


Example 5
Adoption Plan Rev B **POS Plan Rev A**

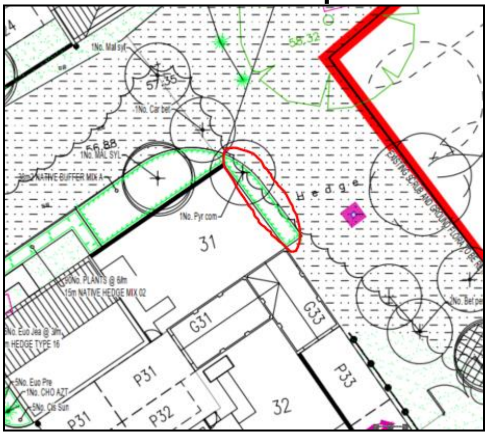


Example 6
Lots of areas of soft landscaping proposed as adoptable highway. The Council as Highways Authority does not wish to adopt soft landscaping highway. These areas could be proposed as ancillary open space to secure their ongoing management and maintenance within a S106 agreement and should be labelled as such on the POS plan. The ecology Buffer is shown lying over the proposed adopted highway.
Adoption Plan Rev B





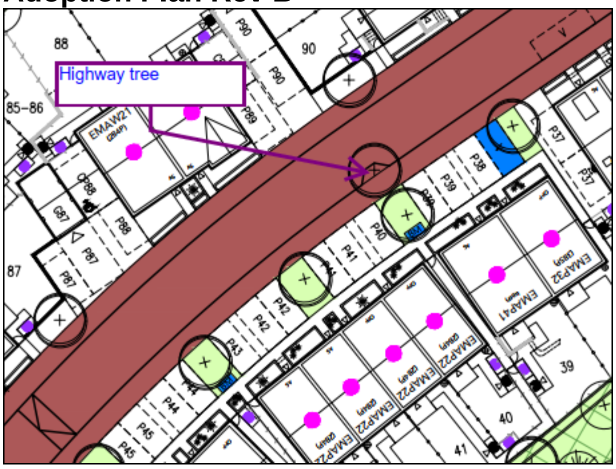
Example 7
Soft Landscape proposed adjacent to 1800mm high close board fence and within Ecological Buffer
Hard and Soft Landscape Plots & POS 02 Rev H



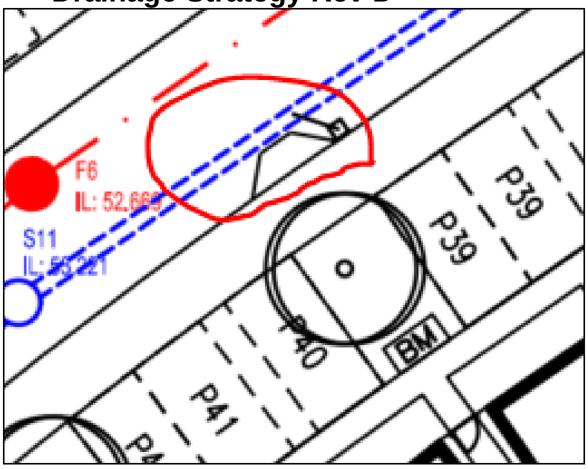
Example 8
The substation is proposed as adopted highway. It should not be classed as adopted highway or public open space but would be private land (transferred to the service provider). As previously stated the Council as Highways Authority, does not wish to adopt soft verges. The size of the tree pits are inadequate.
Adoption Plan Rev B

Example 9
Tree proposed as adopted highway and within close proximity of surface water sewer therefore very likely to be within the sewer easement.

Adoption Plan Rev B

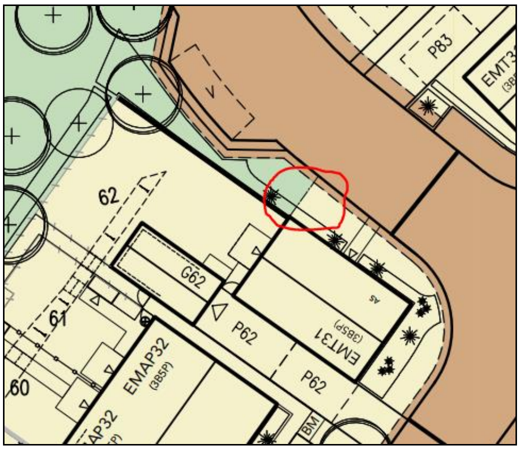


Drainage Strategy Rev D

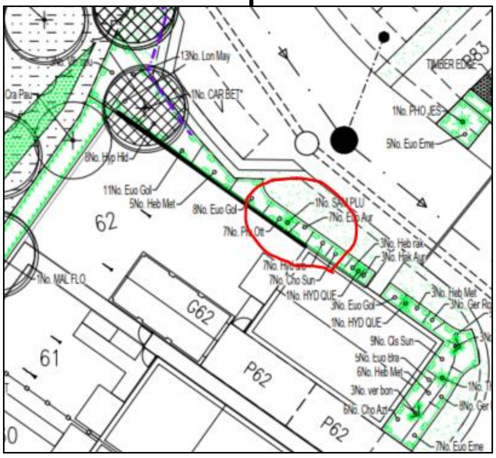


Example 10
Half of hedge proposed as POS and half as private ownership. No properly definable demarcation between these areas.

POS Plan Rev A



Hard and Soft Landscape Plots & POS 04 Rev H



As previously stated the Combined Services plan does not indicate street light locations. The previous revisions of the Hard and Soft Landscape Plots and POS proposals gave an indication of street light locations. This information is now <u>not</u> included in these plans. Landscape and street lighting should be designed concurrently to avoid problems later.

Section 5. Maintenance and Management Page 10 Open Space Assessment refers to M&M being secured via a S106 agreement and/or secured via a condition. Please note that a condition for an in-perpetuity obligation is not considered acceptable, but should be secured via a S106 agreement.

Two structures, possibly gabions are located near the LEAP. One is shown running along the site boundary abutting the fence line of neighbouring property 12 Hambrook Lane, and the other adjacent to the northern side of the LEAP. I have been unable to find any details of these structures.

I note the applicant intends to provide a 10m wide ecological buffer along the southern edge of the site as part of their on-site Biodiversity Net Gain. We need to discuss this internally as to how this ties in with the Natural and Semi-natural Open Space provision and how both are secured in a S106 so as not to have conflicting schedules and multiple management entities. These matters have not yet been clarified and we do not yet have a S106 that includes both.

<u>Provision for Children and Young People</u>
The Open Space assessment quotes different sizes for the play provision. The minimum policy requirement is 489.75sq.m and the equipped LEAP fulfils this requirement. For the reasons given in the LAP section below we have not counted the LAP as provision for children and young people.

<u>LEAP</u>
Clarification is needed on the size of the LEAP. A 1m high black galvanised & powder coated bow top fencing is proposed. Miracle Design & Play LEAP rev H plans shows a red 1.2m wide self-closing gate and a red 3m wide dual use gate whereas the gates are labelled as yellow (maintenance leaf as black) on the Hard and Soft Landscape Plots and POS plan 01 Rev H. All pans should match. The number of pedestrian gates fulfils the 'bully gate' system for play areas however the pedestrian gate proposed in the north western corner of the play area opens out onto the top of a 1:4 slope; this is obviously far from ideal. Can the applicant please check whether there is a better location or whether this is the least worst location for the second gate to be located?
Thirteen items of play equipment are proposed on resin-bound rubber mulch safety surfacing. The number of items is welcomed however the play value could be improved further so that a wider range of play activities is included.

There are only two accessible items – the wheelchair accessible roundabout and the basket swing. The springy rider could be changed to a more inclusive version e.g. SB4052 Mia Accessible Spring Rider, which includes a back rest. Replace the ground mounted trampoline to the bigger size – 2sq.m. Possibly replace Marsham Rotating Cone Net Climber SB8161 with a different item to increase variety of play experiences. And Springboard TBR7211? Rather than individual swing with cradle seat to one that has two swings, one with cradle & standard seat? Most of the items don't offer much of a challenge for older children. I appreciate the applicant has endeavoured to fill the play area with equipment I think slightly fewer items of a wider age, inclusivity and activity would result in a better play area.

The safety surfacing could be extended to the fence on the western edge & up to the gate (to prevent erosion) and would allow for slightly more space for equipment.

The LEAP Plan Q8250_H shows two bins (lockable and lidded), one within the play area and the other is located north of the play area adjacent to the footpath at the northern entrance into the POS. There is inconsistency with how these bins are indicated on the Hard and Soft Landscape Plots and POS 01 Rev H plan. One of the symbols is not included in the Key.

A picnic table is proposed but it would be preferable for it to have an extended top to allow wheelchair users access to the table.

The LEAP Plan Q8250_H proposes two benches with back rests, one in the LEAP and one to the northeast of the LEAP adjacent to the cycle/ped path. Both benches should have suitable back **and** arm rests to allow people to rest comfortably, and to assist people with mobility issues. There is inconsistency with how these benches are shown on the Hard and Soft Landscape Plots and POS 01 Rev H plan. One of the symbols is not included in the Key. There are also no surfacing details for the bench located adjacent to the ped/cycle path within this plan.

A number of Play Boulders are proposed on the northern slope of the play area. Erosion protection would make these more accessible when the ground is wet.

Trees proposed near LEAP – including Amelanchier lamarckii and Quercus robur (oak) on the southern side and a Quercus robur on the western side. These trees, especially the oaks, will become large and are likely to cause shading problems with the LEAP. Algal/moss build up is also likely to result on the safer surfacing. Branches of the oak tree near the proposed swing could conflict with the free space of the proposed swing.

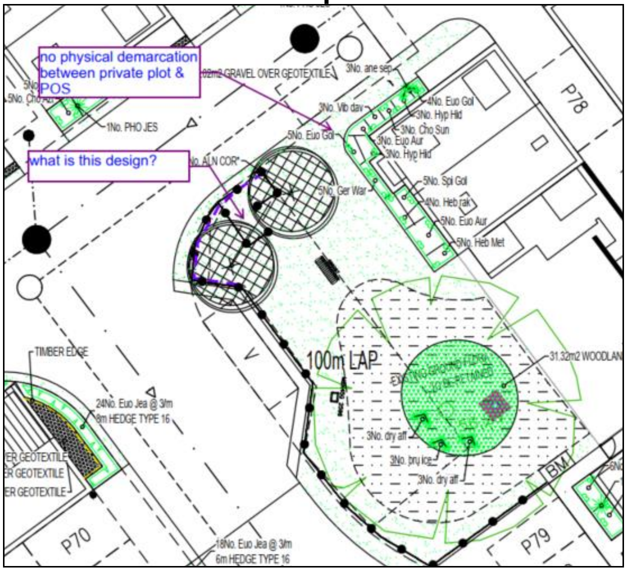
Euonymus 'President Gauthier' proposed in play area is considered toxic. Play areas should not contain plants that have known allergic, toxic, etc. properties.

As with the previous submission, Hard and Soft Landscape Plan 01 Rev H shows play equipment and fencing around the LEAP as "similar or approved". A condition would need to be applied if you accept that changes can be made later, however changes should only be made at a later date if there is a very good reason e.g. if an item becomes obsolete.

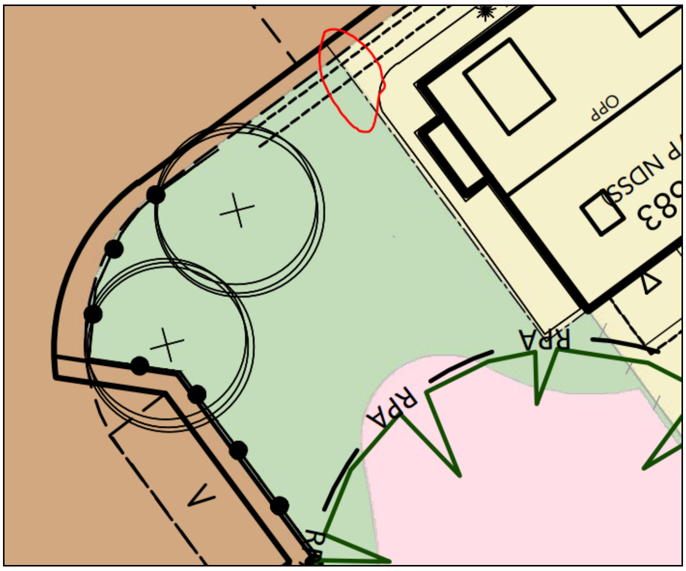
<u>LAP</u>
100sq.m LAP proposed beneath existing tree T24 (Walnut Tree) No play equipment proposed. A bin, bench and insect hotel are proposed within this area. The bench should have suitable back and arm rests to allow people to rest comfortably and to assist people with mobility issues. A 450mm high knee rail is proposed around the edge of this area but I do not understand the layout of this feature? Due to the location of the existing tree this area is not suitable to be equipped and therefore is Informal Recreational Open Space rather than provision for children and young people. I will leave it to the Transport Officer to decide whether a knee rail is required for safety reasons.

There is no physical demarcation between the private ownership plot 78 and the area of POS. A physical demarcation between these areas should be provided.

Hard and Soft Landscape Plots & POS 01 Rev H



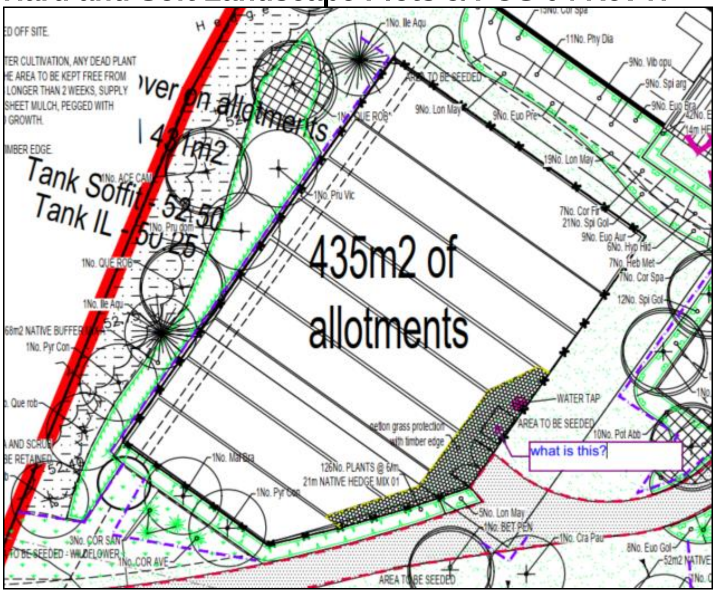
POS Plan Rev A



<u>Allotments</u>

A 435sq.m allotment area is proposed with three parking spaces. A 1m chain link fence is proposed around the allotment area with native hedge along the outside of its southern and south eastern edges. I am unclear what the item highlighted in the snip below is? Secure, robust storage is needed for each plot.

Hard and Soft Landscape Plots & POS 04 Rev H

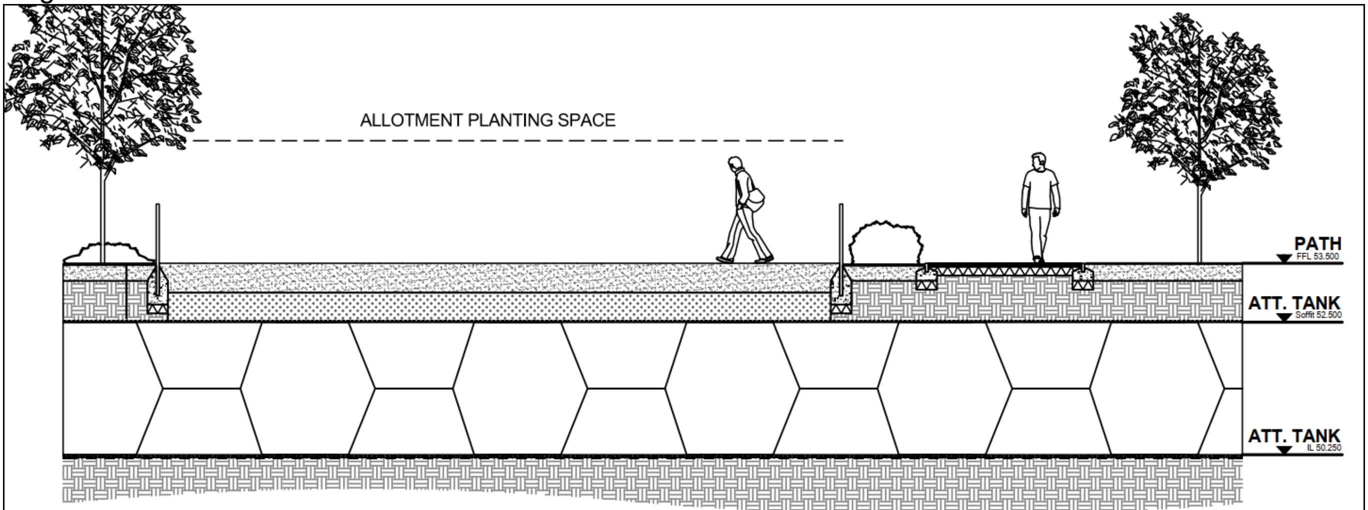


A communal water tap is proposed and the plots are divided using pressure treated timber edge. Grass protection with a timber edge is proposed at the entrance of the allotments. Three of the plots are not accessible from this area and it would mean that plot holders would have to cross other plots to access theirs. This is not acceptable.

The allotments are partially located above the underground cellular storage tank. Conflicting information has been provided regarding the depth of soil above the tank. Page 22 of The Landscape Statement March 23 section 7.3.9 states the following *"The presence of the tank creates limitations regarding new strategic planting, hence it is considered that allotments directly above the underground tank will be a feasible option as all vegetation in that area will be short lived and large trees are unlikely to be grown by the allotment users. A minimum of 600mm of soil above the tank as well as the use of raised beds will provide sufficient depth of soil for cultivation of crops."* No raised beds are apparent on the plans.
Page 27 shows the following section (which is illegible). This section shows that the soil depth above the tank is less than 1m on northern side of the allotment area.

Section 3 - 3 - View north eastwards over allotments and open space and demonstrating water storage tanks and gre

Page 28



DETAILED EXTRACT of Section 3 - 3 - to illustrate soils depths achieved for allotments.

We require clarity beyond doubt as to the exact proposals for the attenuation and its easements and constraints , and the depths of cover.
The Drainage Strategy still does not show the easement of tank and does not have the locations of the proposed trees. This information is required.

The path leading to and past the allotments is shown varyingly as adoptable highway and hard landscape for management company.

<u>Landscape Management and Maintenance Plan Rev E</u> – I have not yet checked this document in full but:

Allotments – no reference to the water supply.

Play areas – RPII accreditation for all levels of play area inspections is the only way of ensuring inspectors have **proven and up to date** knowledge.
Routine inspections must be more frequently than weekly if the play area is heavily used or prone to vandalism.

Graffiti, broken glass, etc. should be removed immediately if found by maintenance operatives. Where reported to the management entity/managing agent offensive graffiti should be removed no later than the end of the next working day and sharps/broken glass that poses a hazard should be dealt with under the emergency call out system.

On-site open space maintenance
Core Strategy policy CS24 seeks appropriate arrangements to secure the satisfactory future maintenance of any open spaces and outdoor recreation facilities (for sport, recreation and play) that are provided in conjunction with new development.

As the applicant proposes private management of POS and surface water infrastructure the Council must be confident that the value of any service to the public is sustainable and does not create ambiguity in how people access those services should they have concerns or requests; it is important that the community receives a seamless service. Provisions to ensure suitable and secure in-perpetuity arrangements for operation, management and maintenance of all the public open spaces, ancillary open space and surface water infrastructure (SWI within POS that is not adoptable by a statutory undertaker) will need to be incorporated into the Section 106. The Council charges a fee (£70.29 per 100sq.m. plus £676.87 core service fee) to inspect the open spaces to ensure their compliance with the approved plans prior to transfer to the private management entity.

How the Environment & Community Services requirements for Open Spaces meet the Community Infrastructure Levy (CIL) tests

Necessary to make the development acceptable in planning terms
Adopted planning policy requires sustainable development and provision of a range of good quality well connected open spaces where existing open spaces are not easily accessible or do not have the capacity to fully meet the needs arising from the proposed development. Without provision or enhancement of open spaces people living here would not have adequate access, which would prevent them from developing as a healthy, socially sustainable community. Without sufficient open space to meet local need this development would lead to increased pressure on existing facilities elsewhere.

Directly related to the development
Contributions towards off-site enhancements are only sought when there is evidence of a local shortfall in either quantity and/or quality/capacity to meet the additional demand arising from the new development and the policy requirements for open space are not being provided for on site.

Provision/enhancements will be made as close to the development as is feasible to serve the future residents of the proposed development.

Fairly and reasonably related in scale and kind to the development
Where provision in line with minimum policy standards is not provided on site, the amounts requested towards the provision and/or enhancement of off-site open space and future maintenance are directly in scale with the quantity of open space required to offset the effect of the proposed development on existing provision; this is demonstrated in our calculations.

All calculations are based on the expected future population of the proposed development calculated using Census 2011 data on household size and the net gain and mix of dwellings proposed.

The calculator used to give costs for provision/enhancement and maintenance is regularly updated and reflects the type of spaces and facilities that the Council would expect to see delivered based on examples that have been adopted from other new developments, which have taken place within South Gloucestershire.

The capital contributions are based on a range of industry costs for the provision of open space facilities, and the maintenance costs are routinely tested through APSE (Association of Public Sector Excellence). They are therefore considered reasonable and fully justified in order to ensure standards of open space meet standards of appropriate national bodies e.g. Sport England, national sporting governing bodies, Fields in Trust, National Society of Allotment & Leisure Gardeners and material relating to the Green Flag quality award scheme.

Details of 2022/2023 provision/enhancement and maintenance costs for each category of open space per sq.m.

	Informal recreational open space	Natural & semi-natural green space	Outdoor sports facilities	Provision for children & young people	Allotments
Average provision/ enhancement cost per sq.m.	£32.2039	£17.8459	£64.0442	£214.5974	£11.7444
Average 15yrs maintenance cost per sq.m.	£56.7652	£29.6046	£19.3841	£225.6508	£14.9750

NB These do not cover specialist features e.g. retaining structures, drainage structures such as underground tanks, penstock valves, hydrobrakes, etc. Should any of these be likely, a table of additional costs would need to be appended to the Section 106 to enable their cost to be factored into the maintenance contribution formulae.

These figures are subject to indexation using the Updating Percentages published by the Building Cost Information Service (BCIS) for the Schedule of Rates for Grounds Maintenance 1987.

Application Number:	**P22/02357/F**	Grid Reference:	362579 179345
Date Registered:	22nd April 2022	Consultation Response Date:	27th April 2023
Location:	**Land At Hambrook Lane Stoke Gifford South Gloucestershire BS34 8QB**		
Proposal:	**Demolition of 14 Hambrook Lane. Erection of 85 no. dwellings with access, landscaping, creation of open space and associated works.**		
Applicant:	**Taylor Wimpey Bristol**		

Dear Eileen.

Please see Transport comments below on the revised drawings posted 31st March 2023.

General points

1. Please can the Street lighting design be submitted?
2. Please can a drawing with the road numbers on be provided to correspond with the long sections.
3. Engineering Layout drawing 623 and road and sewer sections 619 are corrupted and can't be read.
4. Please can an EVCP drawing be provided. The submitted drawing for this shows site sections.
5. A finished level contour plan should be provided to demonstrate that there are no road, footway or cyclepath gradients steeper than 1 in 12.

North Area.

1. Please indicate ramp up to the footway crossing on the site access junction. There is no need to extend the footway on the west side beyond the crossing point.
2. Please include a bench halfway up the hill from plot 1.
3. One of the 5 visitor parking spaces to the rear of plot 1 could be replaced with landscape.
4. I'm unable to view road long section to confirm gradients.
5. Please can block paving be provided to the front of parking for plots 1 and 2 to indicate the change to a shared surface.
6. Does the road at the bend outside of plot 1 need to be this wide? The width only needs to accommodate two cars passing, larger vehicles can wait either side of the bend whilst one passes. The refuse vehicle will need to track but can use all of the road.
7. The outside of the road needs to have a 1m wide berm at the top of a maximum 1 in 3 slope. Please can a cross section be provided.

8. The margins behind the back edge of the kerbs on the shared surfaces would not be adopted unless required for a street lighting column. Landscape build-outs should also be excluded from the adoption plan.
9. Can the turning head in front of plots 10 and 11 be reduced in length (subject to tracking) so that the parking for plots 11 and 12 doesn't extend into the landscape area.
10. The turning heads should still be more rounded.
11. Cycle parking hoops should be provided for the LEAP.

Parking.

1. Plots 13 – 21. Although the right number of car parking spaces are shown, two of them should be visitor spaces and visitor spaces can't be tandem. I recommend one space pre flat with the remaining spaces unallocated.
2. I note that cycle stores are provided for each dwelling. The cycle / bin store for the apartments is of sufficient size.
3. Electric vehicle Charging Points are required for each dwelling. This is secured by Building Regulations.

Cycle /footpath link between north and south areas.

My suggested alternative arrangement to address Urban Design concerns about the amount of hard surfacing proposed is:

1. The turning head to the side of plot 30 should be replaced with a dropped kerb crossover to a 3m wide adoptable cycle/footpath adjacent to a 3m wide private driveway leading to plots 24-26. The cyclpath should then extend from the end of the cul-de-sac linking to the path to the front of plot 92. This will enable a section of cyclepath through the POS to be removed.
2. A bin collection area will be needed to the side / rear of plot 30.
3. The private drive leading to plots 91, 92, 31 and 32 should be reduced in width to 3m.
4. The drives at both ends of the cyclepath should be block paved to differentiate them from the adoptable cyclepath.
5. The 2m wide winding footpath through the LEAP area should then connect to this cyclepath.
6. This winding path should have a hard paved surface but not necessarily adopted. Street lighting would be required for adoption.

South Area.

1. The build-out adjacent to the green corridor at the connection to the crest site should be landscaped.
2. The build-out to the front of plot 39 is too small. A raised table would be more effective.
3. The shared surface road from plot 48 to the allotments should be 6m wide with adoption up to the back edge of the kerbline only.
4. The turning head should be rounded off to present a less engineered appearance.
5. The path leading to the site boundary in the south west corner should be extended along the PROW path up to the existing path into Poppy Close, widened to 2m and surfaced with tarmac.

6. The shared surface road leading northwards form plot 62 could be reduced to 6.5m. This width has recently been agreed internally as a reduction from the previous 6.8m standard. The adoption plan should be adjusted to exclude the margins behind the kerbline.
7. This road could be subject to some localised narrowing to accommodate landscaping and urban design issues subject to refuse vehicle tracking and access to car parking spaces.
8. The turning head outside plot 71 could be rounded off.
9. Please show refuse vehicle turning in the turning area next to plot 57.

Parking south area.

1. The visitor space in front of plot 38 should be allocated to that plot.
2. Two of the parking spaces to the front of plots 40 – 43 should be unallocated.
3. The second outside spaces for plot 46 and 47 are too short. They should be 5.5m in front of the house wall.
4. Plot 48 should have two spaces.
5. Please can the number of allotments be confirmed. There should be one space per four allotments.
6. Three visitor spaces are required for plots 47 – 62 in addition to the allotment spaces.
7. Plot 58 should have two allocated spaces.
8. Two of the spaces in front of plots 63 – 67 should be unallocated.

Drainage Strategy.

1. All highway drainage should be located within the adoptable highway.
2. Details of gully locations and connections will need to be reviewed through the S38 technical approval process.

S106 heads of Terms.

The Heads of terms needs to be updated to reflect the number of dwellings (52) now proposed within the EOHSNN area. It also needs to include the Travel Plan requirements as per my earlier response dated 27th May 2022.

Contributions to be indexed from October 2018.

Travel Plan.

A revised travel plan is awaited following comments forwarded on the 27thMay 2022.

Kind regards.

Chris Rose

Senior Engineer

Transport Development Control

Place Shaping

Department for Place

South Gloucestershire Council

South Gloucestershire Council

Memorandum to: Eileen Medlin
from: Dan Jones
Urban Design Officer
Cc:
Date: 28th April 23 – AMENDED PLANS II
Your Reference: P22/02357/F
Our Reference:
Telephone: 01454 863738
Facsimile: 01454 865173
Internet: dan.jones@southglos.gov.uk

Site Ref: P22/02357/F – application for 85 dwellings off Hambrook Lane, East of Harry Stoke New Neighbourhood.

Key Planning Policies (Design).

NPPF (July21) – Design (para 126-136)

South Gloucestershire Core Strategy (Dec 13)
- CS1: High Quality Design
- CS25: Communities of the North Fringe of the Bristol Urban Area
- CS27: East of Harry Stoke New Neighbourhood

NPPG – Design
National Design Guide (NDG)
National Model Design Code (NMDC)
Building for a Healthy Life (BfHL)

South Gloucestershire Policies, Sites & Places DPD
- PSP1: Local Distinctiveness
- PSP6: Onsite Renewable & Low Carbon Energy
- PSP43: Private Amenity Space Standards

East of Harry Stoke SPD (Jan 2016)
East of Harry Stoke Newt Strategy (Oct 18)
Tree SPD
SUDS SPD

COMMENTS RE AMENDED PLANS (SEPT 22) IN BLUE TYPE
COMMENTS RE AMENDED PLANS (MARCH 23) IN BROWN TYPE

Comments

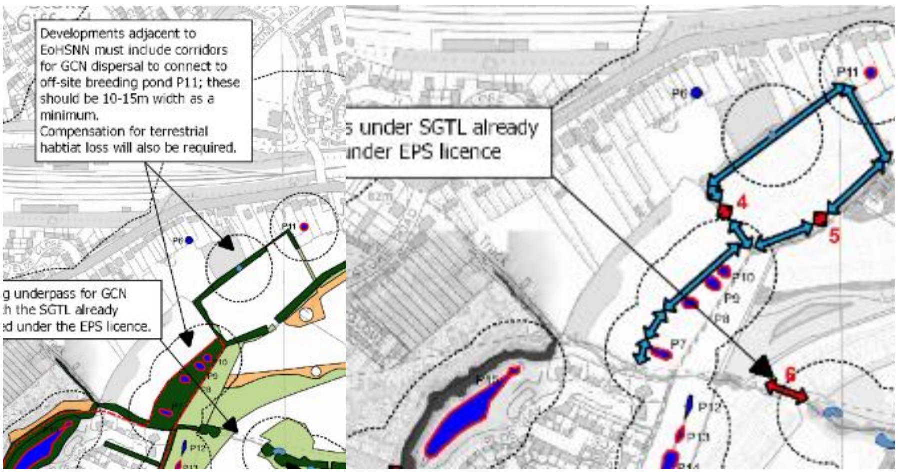
The NDG was published in 2019. The NPPF (July 2021) states that '*the creation of high quality, beautiful & sustainable buildings and places is fundamental to what the planning and development process should achieve*' (para 126) and at para 134 clearly raises the bar in stating that, '*development that is not well designed should be refused, especially where is fails to reflect local design policies and government guidance on design* (the NDG & NMDC)…'. Para 133 also refers to assessment frameworks such as BfHL to help assess schemes.

The application site is partially in the East of Harry Stoke New Neighbourhood (Core Strategy Policy CS27). Plots 1-27 sit outside the new neighbourhood (CS27) area. Precisely which plots fall in and which fall out will need clarifying as this will have implications for infrastructure contributions.

The site is though within land described within the East of Harry Stoke SPD (Jan 2016) – Illustrative Framework Diagram (pg7) – Extract below.

The purple spot in the key reads: '*Access onto Hambrook Lane for development subject to impact on highways infrastructure. Access to be closed to vehicular traffic and retained as pedestrian/cycle link when access to SGTL attained.'* The hatched land is earmarked as *'…potential to provide green infrastructure, newt habitat and a limited amount of development'.* The dark green is , '*retained enhanced existing vegetation'.*

A Great Crested Newt Strategy for the New Neighbourhood has also been agreed with Natural England. It includes 'Design Principles' & 'Habitat Connectivity' Plans (see respective extracts below):



There is a very clear intent that a 10-15m wide corridor should be preserved along the southern boundary of the site. Compensation for terrestrial habitat loss is also required. The D&A statement refers to a 7m ecological offset along this boundary. It is not clear why.

The new Local Plan (nLP) Phase II document promotes a number of localities throughout the district as suitable for 'Urban Lifestyles'. In essence, in accordance with the NPPF etc it is promoting efficient, more intensive use of land in the most accessible locations. This site is within one such location due to its proximity to Parkway Station, Metrobus and other services and facilities. The respective draft policy (see link below) promotes net densities of 80-120dph in this location (Parkway, Stoke Gifford to UWE corridor), which supporting information characterises as terraces and small apartments etc. The NDG promotes 'compact' forms of development, *that is…relatively high residential density…preserves more open landscape and makes efficient use of land and resources' etc* (pg20). The submitted DAS states that Parkway Station is only some 13 minutes walk away. The density is stated at 35dph gross, so probably about half the nLP target for this area.

Phase 2 planning policies | BETA - South Gloucestershire Council (southglos.gov.uk)

The increase in dwelling numbers is noted, but the scheme still appears cramped and unresolved in many ways. See below. See below.

Key Issues

1. **PSP6** requires that a 20% further reduction on the building regs applicable at the point of approval of a scheme. Consequently the 2021 regs will be applicable. The submitted energy statement does not accord with this requirement. This may have significant implications for energy supply (no gas), layout and use of PV, i.e. ensuring that roof tops are orientated appropriately and can accommodate the required quantum of panels etc. The energy strategy should be reviewed to meet the required standard and worked up in parallel with revised plans.

   New development - sustainable energy requirements | South Gloucestershire Council (southglos.gov.uk)

   The Energy Statement now appears to reference the new building regs (Part L 2021) that will bite in June 2023. I otherwise defer to the Council's Sustainability Officer with regard the respective calculations and subsequent strategy. Defer to Climate Team.

2. **Access & Movement**: Good practice & the SPD (see above) requires that the site connects to the new neighbourhood to the east. This is to provide for desire lines/more direct walking routes etc to Parkway Station and new facilities in the Harry Stoke development (via Poppy Close) and to Sainsbury's and the former B&Q site, aswell as back to the SGTL metrobus stops etc etc. These routes through the site should be clear, safe, attractive and direct. The adjoining site access arrangements have been specifically designed to enable this connection. The adjoining site is also under construction so there should be no issue with timing etc. The requirement of the original SPD to downgrade access onto Hambrook Lane to only a foot/cycle connection is thus entirely feasible. The highway through this site and along these key desire lines should be designed as per the Crest Phase 1 primary route, with a verge. The threshold between the two sites will need to be designed carefully to enable wildlife/newts to cross as per the GCN strategy plans above. The disconnect as shown is entirely unnacceptable.

   I note the bollards outside plot 30. These would appear to be a sub-optimal solution. If, as stated in the Planning Statement, the permenent solution is only intended as a foot/cycle connection between the north and southern part of the site, then that is what should be planned for. If construction/highway access is required temporarily through this point then a mechanism should be agreed to enable its subsequent replacement with a path only. Reducing the extent of hard surfacing at this point would also accord with the SPD to, '*retain & enhance existing vegetation*'. The scheme has now been seperated into two cul-de-sacs joined by a foot/cycleway. This is welcome. However in terms of this connection it somehat duplicates private drives required to serve plots 24-28 & 31/32. This would appear to be rather unnecessary additional tarmac. Im sure an adoptable **ped/cycle route could be combined with access** to serve these few dwellings.

I note the footpaths (north side) between the TW & Crest schemes do not align and there is a substantial difference in slab levels (4metres!) between the Crest side and what is proposed. The respective topo surveys are showing an almost 3m difference along the boundary just south of plot 23. Something is clearly amiss and needs sorting out. The tree-lined verge as per the Crest scheme should also be included along the remainder of the street. The highways now connect.

3. The pedestrian route at the western end of the site, dog legging via the allotments and LEAP doesn't yet appear to provide for a suitably high quality direct route. Further consideration is required and detail as to how it connects to the footpath network at this point. Some offsite works may be necessary to achieve a safe walking route.

   It is unclear on many plans whether a footpath connection to the west is included or not and what works are proposed offsite if any. This is important as it is likely to be a heavily used route given proposed amenities in the adjacent Harry Stoke 1 site and desire lines towards B&Q & UWE etc. The route appears more certain. Again, **offsite works should be clarified**.

   <u>Other</u>
   The 'in and outs' around the visitor spaces along the northern access should be straightened to improve the alignment. The visitor spaces could be simple interspersed with a street trees. It's unclear why a tree has been omitted between the second and third visitor bay. Trees could also be provided at either end of these visitor bays to further soften this line of parking. Street lights could be accommodated on the other side of the highway.

4. **Green Infrastructure & SUDS**: GI appears peicemeal and squeezed. Drainage is provided by hard engineered solutions. Given the vegetated nature of the site & existing ecology, good design would dictate that greater effort is made to incorporate and link existing GI and utilise the natural topography to create some wetland and more useable open spaces. Consideration should be given to creating a distinct space(s) character wise as opposed to the nearby LEAP in the EoHSNN Phase 1. At the top of the site there may be views that could be taken advantage of, could a more formal terraced approach be designed around the tree just south of plot 83, pond(s) and roadside swale could/should be incorporated into the southwestern part of the site. Certainly the LAP to the front of plot 83 is cut off / surrounded by tarmac so very uninviting and the LEAP at the bottom end of the site appears very unimaginative and potentially heavily overshadowed at certain times of the year.

   The consolidated POS area in the centre of the site would appear to be an improvement. The design of the space though looks a somewhat uninspired jumble of play equipment, fencing and left over gaps that makes very poor use of this space. Its difficult to discern any 'design rationale' as such. Could the whole space have a railing, hedge and more formally arranged line of trees around its edge? Could a large tree be provided to 'endstop' the main entrance road? Could the sloped area be included into the LEAP and utilised in some way? The gap down the western edge of the LEAP could also be incorporated. Could the LAP equipment be incorporated into the LEAP to provide one play zone? Etc etc. At the southern end of the space plot 92's parking and garage protrudes clumsily into the space. This needs removing. The consolidated LEAP and vista point is an improvement. The re-arranged plot 92 is an improvement.

A mown path also appears to encourage people along the back of properties into another rather unsatisfactory space that is characterised by a blank gable (plot 85), rear of properties and parking jutting into it. The mown path has now been ommitted and the central green spine (north of plots 84-92) appears now to be more clearly defined as a wildlife corridor (including new additional planting and a log pile). Positioned, as it is at the heart of the scheme, this area will however attract usage for play but also anti-social behaviour, particularly to the rear of plot 89 which lacks surveillance. I would also suggest that given the inevitable pressure on this area from residents it will be impossible to establish a dense understorey sufficient to keep people out. Indeed, the response to this area remains wanting:

- Plot 81/82s very small amenity areas will be overshadowed,
- Lack of surveillance to the rear of plot 85 & 86
- Duplication of the foot/cycleway and private drive adjacent plot 90-92
- Overlooking from plot 83/84 into rear garden of plot 87
- Awkward alignment of plots 88/89 to the street, and
- asymmetry of plots 88/89

All in all it is hard to see how this area could be argued to be good design. It should therefore be reconsidered. Use of **apartment blocks** may provide a neater solution to this area. Otherwise the following should be considered; **widening out the GI area**, ensuring the landscaping scheme allows for some formal access and **sight lines** from the LEAP and surrounding plots into locations suffering from poor surveillance, **bay windows** to provide lateral lines of sight along side/rear boundaries and possibly flipping plots 88/89 to front the GI corridor.

At either end of this central GI area are further small, poorly surveilled unusable spaces i.e. to the side of plot 30 and rear/side of plots 60-64. Plot 64's parking and garage would no doubt be susceptible to anti-social behaviour and should be removed / replanned away from this dead space. These areas should be **gated off** as per besides plots 34 and 33. Plots siding onto these spaces should also work much harder in ensuring some surveillance over the space. **Additional windows, side bays and/or oriels** should be used on plots 22,24,34,63 as per plot 56.

I defer to others re the quantum & typologies of POS, but as yet these spaces appear unresolved in terms of their own design and the built form around them, in terms of providing safe, secure, high quality attractive places. See further comments below. See comments above and below.

5. **Appearance & Street scenes:** The character appraisal in the DAS has undertaken the usual rather predictable exercise of carrying out a rudimentary assessment of all the various styles and ages of dwellings in the locality and boiling them down to some very generic and rather pointless 'considerations' (pg30). This is why PSP1 requires that proposals demonstrate an understanding of, and respond constructively to the buildings and characteristics that make *a particularly positive contribution to the distinctiveness of the locality.* BfHL similarly states that context appraisal should 'review the wider area for sources of inspiration…' (pg44), and in terms of what red looks like, not 'reference generic or forgettable development nearby to justify more of the same' (pg48).

   The character appraisal appears to have been filled out with even more 'stuff'. This wasn't the point. In localities like this with a great variety of built form, appraisals should be succinct in usually identifying the historic vernacular (pre-war) and distilling some cues/inspiration from it in order to inform the new development. This may involve looking wider than the immediate site surroundings, which is the point the BfHL seeks to make too. However, another approach in such localities is to seek to create a high quality distinctive development in its own right. In looking at these proposals there is no clear connection with any of the local historic vernacular characterised by the pennant stone and ornate brick decoration etc, which parts of the Harry Stoke 1 site and Hoodlands Character Area of the East of Harry Stoke New neighbourhood seek to emulate. However, I note the appearance of some half brick and half render dwellings in the proposals. If it hadnt been noted, the Common Mead character area (see pg54-58 of the Phase II EoHS Design Codes) proposes such styling to create a distinct signature to the area. The coding sets a target of 75% of dwellings to be so styled (ground floor brick/first floor render). This styling also finds its way into the Crest Phase 1 scheme. Complemented by simple modern details. I would have no objection to this theme being carried through. (See comments below). Some half and half (render brick) are now provided. Rendering only the front or two sides is however poor quality and not indicative of high quality design, as in many locations these rear and side elevations are highly visible in the street scene. Where **render** is used it should be specified as **roughcast and carry across all elevations.**

6. In respect of the streets, there is clearly some design going on, but I cannot see a single strong concept or defining feature(s), to create cohesive and attractive streets, just more of a collection of buildings along some very standard highway.

   Again the design continues to lack any strong concept or theme overall or in terms of the key spaces. E.g. I note the gable fronted EMA42 housetypes. These or a similar such gable fronted housetypes could be concentrated around the main POS area. It would seem a simple plot substitution to replace plots 1,2,24&25 with gable fronted units fronting towards the POS. Unfortunately, the EMA42 is a rather lop sided ugly dwelling. TW have used more pleasing gable fronted units at the Haw Wood site (see PA44 below). Similarly, plot 29 is unbalanced and ugly in comparison with the recently approved PT36 at Haw Wood. Switching plots 1-3 & 23-25 to the PA44 & plots 29 & 30 to the PT36 (with feature chimneys) would provide a much simpler and therefore stronger theme around the principal POS area. This advice appears to have been ignored. Again I would re-iterate the need to provide distinct places and spaces with a sense of identity. This is often done by **strongly repeating forms** as opposed to the tedious variety that plagues many modern estates. There is **a clear opportunity here to define the key central open space by concentration of the gable fronted units**. All it would take is replacement of plots 24-26 with three EMA42's or similar. It would also be preferable to replace plot 1 with a EMA44 or similar that faces its main front elevation (front door) towards the LEAP. These simple changes would create that strong sense of identity around this key space.

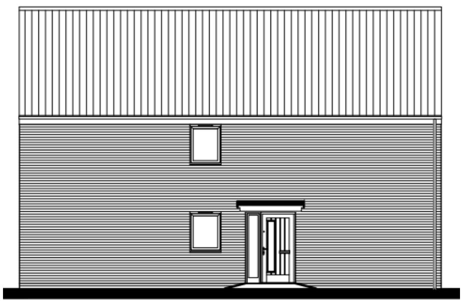
FRONT ELEVATION
EMA42

FRONT ELEVATION
EMT41

Front Elevation
Haw Wood - PA44

Front/Side Elevation
Haw Wood - PT36

In so far as the main southern street goes this is a rather horrible jumble of units dominated by frontage parking with the the somewhat unattractive elevation below terminating the view along it. It requires some serious reconsideration. Reducing the variety of unit types along this street and providing improved repetition/rhythm would certainly strengthen the character of the scheme. TW do this well at Somerdale in Keynsham by way of example. See comments below also.

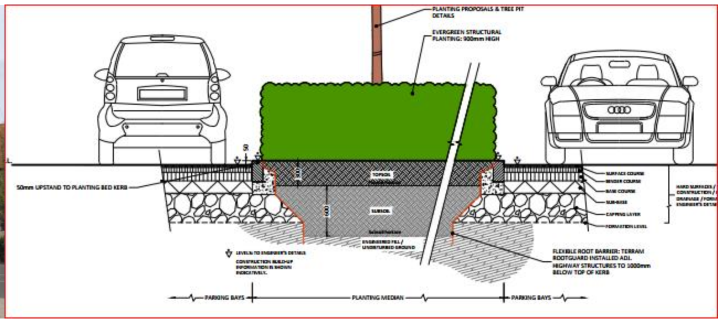


SIDE ELEVATION

In essence:
i, plots 86-92 need reconsideration to ‘open up’ and provide some surveillance / frontage along the POS. Care will be needed to site a building that presents and contains the southern edge of the main POS area. A dwelling such as the PT36 above or a small apartment building may sit well here for instance. See comments above.
ii, the 2.5 storey (could be 3 storey if need be) units that endstop/terminate the views down the streets (plots 46/47 & 35/36) should be more distinct as key buildings in terms of the build line / would be better sitting forward compared to adjoining dwellings to help break up the long row of frontage parking. Plots 46 & 47 fail to break up the long row of parking. **A pair of EMB51’s or EMB31’s sat forward with side tandem parking would help break up the long row of frontage parking and enclose/create more of an entrance / threshold into the shared space.** Pulling forward (south) plot 62 would also help close down the threshold into the shared space street.

iii, plots 48/49 just appear very random at that point. Maybe they could be used to better effect at the end of the street to follow the highway curve and helping to green and soften this area further. See above. Further consideration required as to the best location for these unit types.

iv, frontage parking needs to be undertaken with care, providing sufficient room between parked vehicles for robust planting beds and trees at adequate intervals to have the desired softening impact. A detail should be provided including 125mm upstand kerb to protect the planting and hedge (min 900mm) with tree etc, e.g. Horstead Park below (see the NDG). The planting plans fail to produce this effect (see below), being turf as opposed to **hedging**. Amendments required.



v, The block at the end (plots 56-58) is a key building and needs treating as such. Form as well as elevations needs reconsidering to provide interest & acceptable presentation to all sides. I note a retained tree is isolated in and overshadows plot 55's garden. Plot 58 also continues to project awkwardly out into the GI corridor and provide sub-optimal overlooking and presecence across this space. Given the BNG issue it would seem only right to rethink this area to **provide a more GI and improved surveillance and frontage onto this space**, as well as **removing the retained tree from the rear garden.**

Other:

- Plot 73 sits awkwardly behind the build line with a large retaining wall outside its rear window. It should be pulled forward as per the other plots. Couldn't its parking simply be provided at the end of the turning head?
- Plot 81's parking interupts the area of POS and should be removed elsewhere.
- Plot 85 is unnacceptably overshadowed by the large tree. Parking again juts out into the POS undermining the quality of the space. I would query the need for so much parking for the se 2 bed homes. A plot in this position should also front onto the POS (so bookend the terrace).
- Plot 64's parking is particularly insecure being exposed to the area of landscaping and should therefore be removed and this area widened out.

This top area of the site still appears over developed. I would remind the applicant that the SPD suggests that this area should, 'provide green infrastructure, newt habitat and *a limited amount of development'*. The very small gardens to rear of plots 63-70 fail to provide sufficient space for replacement planting to mature to anything worthwhile, plot 78 is now heavily overshadowed by the adjoining tree and plot 79 and outdoor space to plots 81 & 82 will also be heavily overshadowed. Plot 78 also now sides onto the POS whereas an EMT31 previously fronted onto it and plots 71-77 have now lost that simple repitition of the previous scheme. All in all this area has got worse. As such **plots 63-70 need pulling forward, plots 72/73 could perhaps swop with plot 74 to bring some symmetry to that little street scene and plots 77-82 require a rethink to deal with the amenity issues, probably dropping a unit.** The highway could be narrowed, effectively creating a build out feature around the canopy of the tree adjacent plot 78, if need be.

- Again care needs to taken to provide some surveillance over the POS between plot 64 & 65. Now plots 62 & 63.
- On balance, I think that plots 21 & 22 should present fronts into the parking court to improve surveillance in this space. Done. Walling is also required to boundaries around the parking court.
- Rear boundary to plots 56-59 should be wall in this exposed location. See comments above re this area.
- Field gates and post and rail fencing should be used to demarcate access into the wildlife corridors around the scheme where public access is not required. (See Crest scheme adjacent). Still required in places.
- A robust treated hit&miss style fence can provide a more attractive and sturdy boundary to the wildlife corridors. Still required.

7. The dwellings themselves do not really know what they want they to be, combining clean simple forms and fenestration in a contemporary style with traditional details. Some are particularly poor

and unbalanced in terms of elevational treatment. I would describe such units as being designed inside out, i.e. value engineering, marketing & build considerations have trumped external elevational considerations, such that fenestration often doesn't quite align, facades lack symmetry and roof pitches are rigidly low throughout with no consideration of appearance or location.

The housetypes theselves have not changed, so I say again elevationally, the balance of some of the dwellings are poor. The NPPF now promotes 'beauty'. A good few of these housetypes are certainly not that and should be reconsidered. This is in contrast to the Haw Wood scheme approved recently. Style wise clearly they have changed. As stated above the Common Meads character area of the East of Harry Stoke NN (see phase 2 design codes) promotes a half & half aethestic as a defining characteristic. I would be content to see this approach rolled out through this parcel also. The housetypes, key spaces and streetscenes should thus be reviewed accordingly. There does not appear to be any review to the fenestration on many of the housetypes which fail to align doors and windows or be symmetrical. Some units may be able to be paired to provide some symmetry but overall given the asymmetrical and misaligned nature of the fenestration on almost all the units they run counter to simple concepts of **beauty** and therefore to the Government's aspirations to deliver beautiful development.

Some units could be tidied up a little with little or no impact on the interiors, such as:
EMT31 & 41: Amend glazing arrangement

Before
After

EMA22: use single centred window

Before
After
(or centrilise window over door)

EMG44: centre bed 3 window over garage and landing window over front door.

Before
After

<u>Other comments</u>

EMB31: Centre landing window over the front door. Gap between 1st floor lintel and eaves, and crude box dormer creates a top heavy appearance.
EMA33: Centre ensuite window over front door.
EMA42: I note the Bed 1 window conflicts with a wardrobe. Peculiar lopsided appearance.
EMT31&41: Unbalanced, asymetrical front elevation.
EMAP22: Centre bed 1 window over front door.
EMG41: Squat appearance. Would benefit from raising gable pitch.
EMAW31: Centre bed 1 window over front door.
EMAP41: Centre bed 3 window over front door.
Flat Block 1: Sink unit conflicts with full length window on front elevation. Main front door would benefit from additional side panel glazing to left to even up appearance.

Deeper **window and door reveals** 75-100mm help create a feeling of robustness. Clarification would be helpful.

Terrace units should be provided with designed in **front bin stores** as it is unrealistic to expect bins to be dragged round the back to mid terrace units. They will inevitably be left out the front of properties. To provide consistent streetscenes it is thus best practice to provide all terrace units with robust front bin stores.

With respect the **glazed brick** panels, this is a nice idea, possibly inspired by Horsted Park in the National Design Guide. However it is critical to get such decorative detailing right. Glazed bricks can be easily chipped so the panel size should allow for whole bricks, so bricks do not have to be cut to size when laying. Panels of decorative material, be it brick or boarding etc also look much better where they are recessed as at Horsted, so an edging detail requires consideration. Building detail brick panels flush with the facing brick never appears a high quality finish. As such, I would request that **a thumbnail detail** is provided on the housetype drawings to inform the detail design stage. So far as the use of the glazed brick goes it appears rather tokenistic and random. It doesn't really help define any particular street or space, nor is it used consistently between different housetypes. Instead of the rather random and often weak panel detail alternatively you could use a simple stacked brick surround to front doors to houses facing onto the LEAP. Use of a detail brick within the recessed porch of the EMA42's particularly if another three are used to replace plots 24-26, combined with a stack brick surround to the front doors of the EMT41's fronting that space would be a simple and effective way of adding a touch of interest and delight to the scheme. As such I would advise a thorough rethink of the use of the glazed brick detail.

1. Vertical stacked long format brick paneling - recessed by 25mm

8. Unfortunately, therefeore the scheme falls into BfHL, the 'what red looks like' (pg 49) criteria…'using predetermined housetypes to dictate a layout, arranging buildings next to each other in a way that do not create a cohesive street scene and poor replication of architectural features or details' (or lack thereof). In terms of materials, the Bekstone Yate Grey is a particularly poor imitation of the local pennant and render can stain easily if not combined with high quality robust detailing. I can see nothing here that assures me that this will be a memorable place (BfHL pg44&45) nor of any beauty (NPPF).

   The proposed brick is an improvement. Key units and clusters of plots, such as around the LEAP, would benefit from slightly differentiated **higher quality materials**, such as a recon slate tile product and a stock brick, or the same Edmonton but with a dark grey/black motar. I note the use of moondust door colour to emphasise the key plots. I assume moondust is grey. Grey is usually a default colour used by many developers on non-landmark plots. Suggest use a more vibrant colour to key plots and clusters. Extend to plots 3, 31, 91, 72/73.

9. **Pre-app, public consultation & design review**: The NPPF, NPPG, NDG and BfHL etc all suggest that tools such as pre-app services, public engagement and design review should be used ahead of submission to help shape and formulate planning applications. Neither pre-app or design review and only very limited public consultation has been undertaken. Given the sensitive and challenging nature of the site, and proximity to existing residents etc, the absence of any such engagement with the Council, community or design review service is very poor practice.

Nothing to add. Still refusal to engage the design panel. Independent **BfHL review** may be another option.

10. **Other:**
    - The Combined Services plan clearly illustrates that no account has been taken of proposed tree planting. The Council typically requires a combined services, drainage, street light and soft landscape plan so that services and trees can be planned together, so avoiding trees being ommitted during construction as they conflict with services already in place etc. A combined services, street lights and landscape plan is still required as conflicts are still apparent. Still required. Needs to show all utility connections to the dwellings to ensure no conflicts with proposed street trees.
    - There are large retaining structures and steps in many plots. Plot 65 is particularly poor with a north facing rear garden with an approx 3m high cribb lock retaining structure about 3m from the rear of the house creating very poor outlook and useability. A terrace/slope is included in the rear garden of plot 25 which is specifically for wheel chair use. A 2-3m retaining structure is proposed alongside an existing hedge to the rear of plots 83-85, with no doubt consequences for its health. The scheme has generally improved in this regard although noting the issue with plot 73 and the difference in stated levels between the Crest scheme and this site which need resolving. Levels issue appears resolved.
    - Plots 56-62 & 72-77 create a very car dominated streetscape. Parking needs removing from the POS (spaces P65x2 and the visitor space) and a robust detail is required for the landscaping strips between bays. A combined services, street lights and landscaping plan is required as services are shown in conflict with trees on this street and no doubt elsewhere. See other comments.
    - There is one shared space street. Its not clear why there are no others / what the rationale is for the highway hierarchy and tarmac appears to dominate. Further streets could be downgraded to shared space, i.e. from plot 48 west and plot 4 east. There should be a clear threshold demarcated by a change in material or copenhagen style crossing where appropriate. Surfacing should be distinct from other highway typologies. Suggest a minimum of 50% block paving to tarmac. Use hot rolled asphalt with a colour chip to further help define these streets. Block should generally be avoided on junctions (e.g. front of plots 46 & 47). Usually Ok in turning heads at end of cul-de-sacs. Parallel visitor bays should be subtly demarcated in a different material. Use conservation kerbs 125mm upstand to avoid unauthorised parking and vehicle overrun and 25mm elsewhere. **The shared space streets still lack definition and distinctiveness.** Please review to accord with the comments above. The parking court serving the apt block (13-21) should be block paved.

<u>Other</u>
I agree and welcome the fact that street trees and planting beds between parked vehicles have been put into POS for management by the Manco. With regard long-term **stewardship** arrangements, it should be noted that the main Crest & Wain Homes schemes have provisions in their s106's to set up a **Residents Management Company**, as opposed to a basic manco. There would clearly be benefit in residents of this scheme being part of those arrangements to ensure equity and access to facilities on the main site in the long-term. Reasonable endeavour clauses to this effect have been agreed with other developers. Some early engagement with Crest on this point is encouraged.

<u>Conclusion</u>
Objection. Central Government's expectations in terms of design quality have clearly risen in the last year or so. Developers have also now had chance to absorb the implications of new policy in the NPPF (2021) and guidance such as the NDG, NMDC and BfHL. This is also a challenging site, so it should be expected that

a standard approach and all standard housetypes may not be sufficient. In so far as the proposals go; given the site's proximity to Parkway Station, Metrobus services and a wide range of services and facilities, this is a very sustainable location and therefore the land should be used efficiently. As per the NDG implies I would therefore suggest that more compact forms should be used, but alongside protection of more of the green infrastructure. As it is, the proposals are squeezing a high number of pre-determined (including many detached) housetypes onto the site, which is leading to problems with levels and poor quality restricted green infrastructure. The site also fails to provide connectivity to the adjoining parcel, fails to address energy requirements and is generally uninspired in terms of appearance and street scenes etc. In essence it fails to respond adequately to the site and context, so is not 'well designed'. The NPPF states that '*the creation of high quality, beautiful & sustainable buildings and places is fundamental to what the planning and development process should achieve,'* (para 126) and para 134 clearly raises the bar in stating that, '*development that is not well designed should be refused, especially where it fails to reflect local design policies and government guidance on design* (the NDG & NMDC)…'. My view is that the scheme requires substantive amendments such that it would be a materially different scheme. These proposals should thus be withdrawn or refused, so that a proper design process can be undertaken, starting with involvement of the Design Review Panel, proper public engagement, thorough discussion of constraints *and opportunities*, a more succinct but insightful character appraisal and response, and clear energy strategy / target that recognises the new building regs and PSP6 etc.

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Objection. Although some improvement appears to have been made in terms of the quantum of POS and connectivity, this remains a poor submission. In terms of placemaking it still appears to be a pre-determined mix of poorly conceived house types shoehorned onto the site with little positive regard in terms of creating distinct characterful streets or spaces. POS is poorly surveilled in places, wildlife corridors are insecure, levels still appear unresolved, and the street hierarchy still makes little sense etc. Consequently, substantive amendments in accordance with the above comments are required.

Objection. Little has improved. This is not high-quality compact development as envisaged by the NDG. This is cramped development which consequently is not responding well to the constraints on the site. I would suggest that, given the typologies proposed there are probably 4-5 too many dwellings. Specifically, units probably need to be dropped to get the scheme to an acceptable state:

- along the western edge so that plots 63-70 to enable parking to be to the side so that plots can move forward,
- lose one plot to ease current amenity issues from 77-82
- lose a couple of plots in the SW corner to improve the relationship with the GI / make a better development edge.

Further to that a stronger sense of identity could be simply achieved with suggested amendments to plots around the central LEAP. This space could also be improved by rationalising the foot/cycleway and private drives, taking a more realistic approach to the undoubted use and pressure that will be put on the central green corridor and improving the edge conditions and surveillance of this space. Design of the shared spaces could also be improved as well as improvements to appearance of many of the dwellings with simple attention to detail. As such, I consider a positive outcome is possible, but as it stands the accumulation of issues is such that refusal should clearly be an option.

Dan Jones
Principal Planning Officer – Urban Design

Appendix 3: JRHLS3 – Deliverability to date and projected delivery North Yate

Appendix JRHLS3 - Land at North Yate (ref. 0133) Delivery to date and Projections for 2022/23-2026/27

RLS Ref.	Planning Application Number	Address	Developer	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	5Y total
0133ab	**PK17/5388/RM**			14	16								
0133ac	**PK17/5389/RM**			25	41	7	10						
0133ad	**PK18/0527/RM**				28	45							
0133ae	**PK18/1723/RM**				73	119	34						
0133af	**PK18/3185/RM**						106						
0133ag	**PK18/3237/RM**			2	3	2							
0133	PK12/1913/O	Land at North Yate	Barratt/DWH										0
0133ab	PK17/5388/R M	Land at North Yate - PL23a, PL23c	Barratt Homes	14	46	8	6	3					3
0133ah	P19/2525/RM	Land at North Yate - PL17a, 17b, 18a, 18b & 21	David Wilson Homes				51	40	40	40	40	18	178
0133ai	P19/14361/RM	Land at North Yate - PL14e	Barratt Homes					32	16				48
0133aj	P19/12246/RM	Land at North Yate - PL12a, PL13a	Barratt Homes				21	110	24				134
0133ak	P20/16804/RM	Land at North Yate - PL7, 8, 9 & 11	Barratt Homes					23	40	40	40	40	183
0133al	P21/02473/RM	Land at North Yate - PL5c and PL6	Taylor Wimpey					42	72	43			157
0133an	P21/03161/RM	North Yate - PL19, 20, 28 and 29	David Wilson Homes					40	40	40	16		136
0133ap	P22/02306/RM	Land at North Yate - PL3, 14a, 14b, 14c	Barratt Homes						42	74	50	35	201
0133as	P19/11377/RM	Land at North Yate - PL24, 25, 26 & 27	Bellway				52	40	40	40	40	35	195
0133aq	P22/03612/RM	Land at North Yate - PL10, 30, 31	David Wilson Homes							20	27		47
0133am	P21/04892/RM	North Yate - Land At Ladden Garden Village	Care UK And BDW Trading Ltd							9			9
0133c		Land at North Yate - Residual of Allocation - Barratt											0
0133ar	P22/04365/RM	Land at North Yate - PL2, 4a, 4b, 5b	Barratt Homes							48	58	41	147
			Total	**55**	**207**	**181**	**280**	**330**	**314**	**354**	**271**	**169**	**1438**

Appendix 4: JRHLS4 – Housebuilder Reports

We are leading the future of housebuilding

Annual Report and Accounts 2023

BARRATT
DEVELOPMENTS PLC

Non-financial and sustainability information statement

The information below is intended to help stakeholders understand our position on these key non-financial matters. We have considered these non-financial matters and disclosed in the relevant sections, when determining what information should be included in the Annual Report and Accounts, the information needs of different stakeholders and their relative importance as well as the relevant time horizons in each matter. The following complies with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006.

Our fifth integrated report

We are committed to being a sustainable and responsible business. This is demonstrated in this integrated Annual Report. Our focus is the connection of economic, environmental, social and governance matters to create and preserve long-term value for all our stakeholders.

For a detailed description of our approach to integrated reporting, go to the Appendix on page 243.

Notice regarding limitations on Directors' liability under English law

Under the Companies Act 2006, a safe harbour limits the liability of Directors in respect of statements in, and omissions from, the Strategic Report contained on pages 2 to 100 and the Directors' Report contained on pages 101 to 171. Under English Law, the Directors would be liable to the Company (but not to any third party) if the Strategic Report and/or the Directors' Report contains errors as a result of recklessness or knowing misstatement or dishonest concealment of a material fact, but would not otherwise be liable.

Strategic Report and Directors' Report

Pages 2 to 100 inclusive, and the Non-financial and sustainability information statement here, comprise the Strategic Report, and pages 101 to 171 inclusive comprise the Directors' Report, both of which have been drawn up and presented in accordance with, and in reliance on, English Company Law. The liabilities of the Directors in connection with the reports shall be subject to the limitations and restrictions provided by such law.

Cautionary statement regarding forward-looking statements

The Group's reports, including this document and written information released, or oral statements made, to the public in future by or on behalf of the Group, may contain forward-looking statements. Although the Group believes that its expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different. Nothing contained in this Annual Report or on the Group's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

Alternative performance measures

In addition to the Group using a variety of statutory performance measures it also measures performance using alternative performance measures (APMs). Definitions of the APMs and reconciliations to the equivalent statutory measures are detailed on pages 235 to 237. The definition of net cash is included in note 18 of the Financial Statements.

Cover image 1: Orchards Rise, Swindon

Cover image 2: Victoria Chalmers, Site Manager at Hopecroft and NHBC Pride in the Job Award winner

We are leading the future of housebuilding for our customers

Interactive report

QR codes for more information online

See page

Tap to move to allocated page

Strategic Report G F

Tap to move between sections

www.barrattdevelopments.co.uk

Sustainability

We are determined to be the leading national sustainable housebuilder.
We were recognised on the CDP Climate Change A List for Leadership, one of fewer than 300 companies worldwide.
We believe that fundamental to building quality homes is building a positive environmental, social and economic legacy for future generations. This is reflected in our ambitious targets and clear plans and actions.

CDP A LIST 2022 CLIMATE

Build quality

Build quality is monitored across our developments by the NHBC. There are five key stages in the home building process, each marked by NHBC inspections and the logging of reportable items, (RIs). Barratt has delivered the lowest rate of RIs across the major housebuilders consistently for each of the last four years, highlighting our focus on build quality controls and high standards across our developments.

0.16
reportable items (RIs) in FY23

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2022

housebuilder Awards 2021

See page 33

Leading

Scale

We are the largest housebuilder in the UK with our operations spanning England, Scotland and Wales and encompassing both greenfield development and brownfield regeneration activities. Through our network of 29 divisions, we deliver more homes than any other housebuilder across the UK.

17,206
homes completed in FY23

Building at scale and great customer service is at the heart of what we do

Employees committed to excellence

Our site managers compete every year to secure industry-wide recognition for their management of excellent site standards and build quality, through the Pride in the Job Awards. Our site managers won 96 awards in 2023 – more than any other housebuilder for the 19th year running.

96
Pride in the Job Awards

> "Everything was perfect and as we wanted it."

Francesca and Jordan,
Barratt customers

Future Homes Hub

Our Chief Executive and other members of the senior leadership team are playing leading roles in the Future Homes Hub. This organisation brings together the housebuilding sector, the wider supply chain, the infrastructure sector, finance and the Government to ensure we, as an industry, have a long-term delivery plan for the sector in line with the Government's legally binding net zero target.

See page 64

the future of house building

Innovation in future home design

Through partnerships with our supply chain and academia, Barratt is leading innovation in both the products we use and in our construction methods, to ensure the industry can deliver zero carbon homes, at scale, in the future.

The eHome2, built within a climate chamber at the Energy House 2.0 at the University of Salford, is a zero carbon home which is testing the effects of climate change and analysing how new homes can cope with more extreme weather conditions, whilst reducing energy and water use.

See page 34

eHome2 Link
Scan to view more

Strategic land

Land remains the foundation of our business. Our current land bank provides the land we require in the short to medium term to support our development activity. Our strategic land supports our long-term growth, securing land for future development but without committing to current land values.

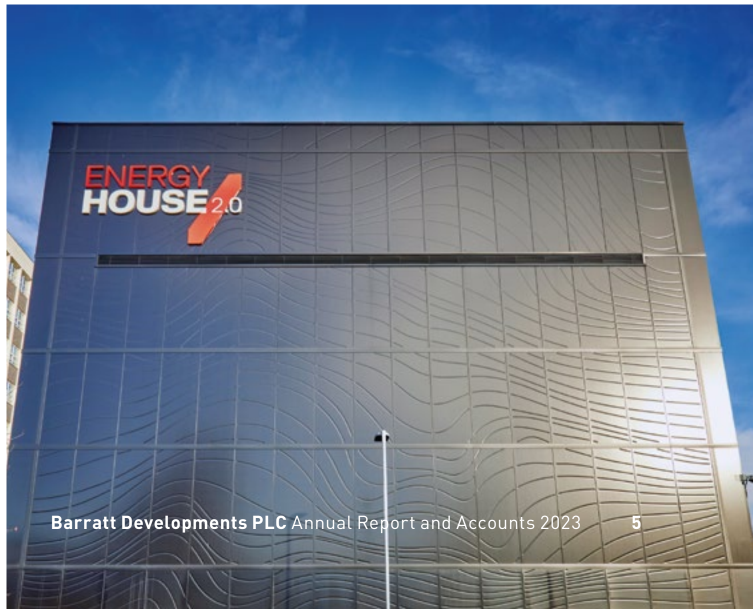
During the year we have expanded our strategic land bank by more than 10,000 plots and we held 101,784 plots of strategic land at the year end.

Future leaders

Through our internal development programmes we are committed to developing the potential of our employees and developing our leaders of the future.

Our "Catalyst" programme is designed to help high potential female employees develop their careers within the Group. Our "Rising Stars" programme seeks to identify and support our diverse future leaders across all aspects of the Group's activities.

See page 35



Customer satisfaction

93% of our customers said they would recommend Barratt to a friend in the latest annual HBF National New Homes Customer Satisfaction survey. As a result, Barratt was awarded a 5 star rating for customer satisfaction, making us the only major housebuilder to be awarded this accolade for 14 consecutive years.

93%
of customers said they would recommend Barratt to a friend

See page 30

Discover some of our outstanding developments

Scan to view more

Homes for everyone

Everyone deserves a safe and affordable home, whether buying, or renting in the public or private rental sectors. We build homes for everyone. During the year, we completed 12,456 homes for private homebuyers and those looking to rent in the private rental sector, as well as 3,922 affordable new homes, sold at 55% below the average price of private new homes completed in the year.

55%
below the average price of private new homes completed in the year

See page 26

for our customers

Helping address cost of living pressures

Our customers unlock significant annual savings by moving into our new build homes. The average new house buyer is saving more than £180 per month or £2,200 per year on energy bills, when compared with purchasers of equivalent older houses. Our customers also benefit from lower utility costs through reduced water usage. Beyond the compelling financial benefits, our new homes dramatically lower carbon emissions for our customers too.

£2,200
average savings per year on energy bills, when compared with purchasers of equivalent older houses.

"This is the first time we have moved home in over 20 years. We chose Barratt not just because of the style, layout and design of the development but also the sales team. They're friendly, helpful, have great knowledge and always on hand to answer questions; we felt absolutely at ease with them."

Darren and Katie,
Barratt customers

Highlights

2023 highlights

Operational and sustainability highlights

17,206
Total home completions[1]
(FY22: 17,908)

367
Average active sales outlets[2]
(FY22: 332)

4.31
Waste intensity[3]
(FY22: 4.97)

4.3
Land bank years
(FY22: 4.7)

96%
Health & safety (SHE audit compliance)
(FY22: 97%)

5 star
HBF 5 star customer satisfaction
(FY22: 5 star)

23.7%
Carbon reduction[4]
(FY22: 23.2%)

84.4%
Employee engagement score
(FY22: 79.4%)

Financial highlights

21.2%
Adjusted gross margin[5]
(FY22: 24.8%)

18.3%
Gross margin
(FY22: 17.1%)

£884.3m
Adjusted profit before tax[5]
(FY22: £1,054.8m)

£705.1m
Profit before tax
(FY22: £642.3m)

67.3p
Adjusted basic EPS[5]
(FY22: 83.0p)

53.2p
Basic EPS
(FY22: 50.6p)

£1,069.4m
Year-end net cash[5]
(FY22: £1,138.6m)

22.2%
ROCE[4]
(FY22: 30.0%)

In focus

- Awarded 96 Pride in the Job Awards for outstanding site management in the June 2023 NHBC Awards, more than any other housebuilder for the 19th consecutive year
- Awarded maximum 5 star HBF customer satisfaction rating for the 14th consecutive year, more than any other major housebuilder
- Our sustainability performance recognised with the Group joining the CDP's Climate Change A List for Leadership, one of just 300 companies worldwide and the top-rated UK housebuilder
- Sales rate of 0.55 net private reservations per active outlet per week during the year (FY22: 0.81)
- Total forward order book (including JVs) at 30 June 2023 of 8,995 homes at a value of £2,223.4m (30 June 2022: 13,579 homes at £3,622.3m)
- Strong balance sheet with net cash of £1,069.4m, after dividend payments of £360.0m and the completion of the £200m share buyback, reflecting strong working capital discipline

1 Total home completions, including JVs, were 17,206 (FY22: 17,908) for the year. Privately, wholly owned completions were 12,456 (FY22: 13,327), affordable home completions were 3,922 (FY22: 3,835) and JV home completions in which the Group had an interest were 828 (FY22: 746).
2 Including JV active sales outlets.
3 Waste intensity is measured in tonnes relative to 100m² of legally completed build area in the financial year.
4 Scope 1 and 2 GHG emissions reduction from an FY18 baseline. Our science-based target is to achieve 29% reduction by FY2025.
5 In monitoring its performance, the Group uses a number of alternative performance measures. These measures are defined on pages 235 to 237.

Investment case

Reasons to invest

The backdrop

The housebuilding industry is in a period of adjustment, reflecting the impact of inflation and the subsequent changes in the cost of living and mortgage interest rates. These dynamics remain significant in the near term but the long-term need for additional housing is clear.

We will manage these near-term challenges and ensure we emerge a stronger business, capable and ready to deliver the high quality, energy efficient, sustainable homes the country so desperately needs.

Shorter owned land bank

We operate an efficient "build and sell" model. We seek to run one of the shortest but most developable land banks in the industry. As soon as land is acquired, we look to begin development at the earliest opportunity, to drive our build efficiency and home completions. This minimises capital employed and brings forward returns, resulting in greater value for investors.

Strong balance sheet and cash generation

We maintain strong financial discipline, recognising the cyclicality of the industry in which we operate. We maintain a strong balance sheet with a focus on cash generation and a clearly defined operating framework.

Highly experienced build and sales teams

We have an experienced management team and workforce as well as long-standing and committed sub-contractors who schedule, manage and deliver our high quality, sustainable homes to exacting standards. Our experienced teams also leverage our reputation around build quality, customer service, national scale and financial strength to unlock additional sales channels with our significant expansion in the private rental sector.

Quality and service

Build quality and customer service are fundamental to our business and customer trust. Our build quality is recognised as industry-leading through the external checks on our homes during the build process, as well as a 19-year unbroken record in the industry's Pride in the Job Awards. We are the only major housebuilder to be awarded a 5 star rating for customer satisfaction for 14 consecutive years.

Nationally diversified

We operate throughout England, Scotland and Wales. We design and build homes that meet local market demand, from one-bedroom apartments to five and six-bedroom homes. We deliver homes for private homebuyers, social landlords and the private rental sector, supplying the desperately needed high quality, sustainable new homes across this variety of tenures.

Leading in sustainability

We are the leading national sustainable housebuilder. Our ambitious targets are supported by clear plans and action. We lead the industry in developing and testing the step-change in future home designs, which will allow the industry deliver net zero at scale. We believe that fundamental to building quality homes is building a positive environmental, social and economic legacy for future generations.

Chair's Statement

Strong and resilient

The Group is well placed to navigate the challenging market backdrop, continuing to deliver the high-quality, sustainable homes that are needed across the country.

Caroline Silver
Chair

Committed to leading the future of housebuilding for our customers

I am pleased to present my first Annual Report as Chair, having taken over from John Allan on 30 June 2023. I joined the Group at the end of a financial year in which we delivered a strong operational and financial performance whilst maintaining our industry-leading quality, customer service and sustainability credentials, against a backdrop of both political and economic instability. Our balance sheet, with net cash of £1,069m, is robust and provides the financial strength and flexibility to ensure we can manage through this period of uncertainty and emerge well positioned for the future.

As part of my induction, I have met with our senior leadership team, employees and external stakeholders, which has helped me to gain a good understanding of the business and how it operates. It is evident that there is a strong internal culture of 'doing the right thing', as well as a desire throughout the organisation to ensure everyone has the opportunity to develop to their full potential within a diverse and inclusive workplace. I have been very impressed with the dedication and commitment of our senior leadership team, and with the passion and purpose of all our colleagues across the business.

Our focus on leading the industry in terms of customer service, quality and sustainability is evidenced through the achievement of the HBF 5 star rating for the 14th consecutive year, 96 NHBC Pride in the Job Awards for our site managers and by the Group joining the CDP Climate Change A List for Leadership, one of fewer than 300 companies worldwide. The industry's contribution to climate change makes it imperative that we continually scrutinise and challenge the ways in which we operate, as well as the environmental and social impact of our business. I am delighted to have joined a Group with both a successful history and a clear focus on its leading role in developing the sustainable homes of the future. (For more information on the HBF customer satisfaction survey see pages 30, on Pride in the Job Awards see page 33 and on our approach to sustainability see pages 40 to 49.)

The Board recognises that we must manage the Group through what is likely to be a more challenging period of trading, but we will remain focused on managing these risks and challenges whilst ensuring the Group is in the best possible position to create long-term value for all our stakeholders.

Board changes

There have been several changes in the composition of the Board during FY23.

Jasi Halai joined the Board as an Independent Non-Executive Director on 1 January 2023 and, as announced later in January, I joined as a Non-Executive Director and Chair designate on 1 June 2023. Full biographical details and membership of Committees can be found on pages 102 to 105 and details of the recruitment processes can be found on page 119.

John Allan stepped down from the Board on 30 June 2023. John played a key role in the Group's development since joining the Board in August 2014 and taking up the role of Chair in November 2014. His experience and dedication were invaluable and the Board wishes John well for the future.

As announced in January this year, Dame Sharon White decided to step down early from her position as a Non-Executive Director on 30 June 2023, after more than five years of service on the Board, due to her other commitments. The Board would like to express thanks to Sharon for her dedication and service.

Finally, I am pleased that Nigel Webb has agreed to join the Board as a Non-Executive Director with effect from 1 October 2023. Nigel brings a wealth of property, construction and land experience to the Board, which complements the skills of the existing Board members. Further details can be found on page 117.

We will continue to assess our composition and that of our committees, considering the recommendations of the FTSE Women Leaders Review, the Parker reviews and the McGregor-Smith review. For information on the diversity of the Board please see page 117.

Shareholder returns

The Board declared an interim dividend for FY23 of 10.2 pence per share (FY22: interim dividend of 11.2 pence per share) and is pleased to recommend a final FY23 dividend of 23.5 pence per share (FY22: final dividend of 25.7 pence per share) in line with our dividend policy of maintaining cover at two times.

Subject to shareholder approval, the final dividend will be paid on 3 November 2023 to shareholders on the register at the close of business on 29 September 2023. Shareholders who elect for the Dividend Reinvestment Plan should do so by 13 October 2023.

The total proposed dividend for FY23, including the interim dividend paid in May, is 33.7 pence per share (FY22: 36.9 pence per share) lower than last year, reflecting the reduction in adjusted earnings per share, offset by the reduction of dividend cover to two times. We also returned surplus capital during the financial year with a £200m share buyback programme.

The Board has reviewed our capital allocation policy in light of current market conditions. In principle, the Board continues to believe that excess capital should be returned to shareholders when it is appropriate to do so. Whilst the Company remains in a strong financial position, the UK housing market remains difficult and the outlook remains uncertain. We have therefore agreed that whilst our reduction in dividend cover to 1.75 times will apply from FY24 as planned, there will be no further share buybacks at this stage. The Board will continue to review the capital allocation policy as market conditions develop.

The future

Looking ahead, we recognise that there are significant macro-economic headwinds, most notably the continuing inflationary pressures and the resulting interest rate environment which is impacting mortgage affordability and availability in the UK as well as economic growth, employment and consumer confidence and spending.

We are in a strong position to deal with these challenges with a proven operational team, a prudent net cash balance and a solid forward sales position. The experienced senior management team are responding to market conditions by driving revenue through the efforts of our sales teams across the country with the focused use of incentives, as well as diversification to secure sales into the private rental sector.

The Board will continue to monitor changes in both the housing and land markets, as well as the wider economy, but our operating disciplines, forward order book and strong financial position provide us with resilience and flexibility to adjust to changes in the operating environment in the year ahead, and as the market evolves thereafter.

Finally, on behalf of the Board, I would like to express our thanks to our colleagues and our supply chain for their commitment to the Group, both over the last year, and as we look forward to the year ahead. On a personal note, I also look forward to meeting many more colleagues as I get around more of the Group's operations in the coming year.

Caroline Silver
Chair
5 September 2023

At a glance

Our business at a glance

Our purpose

To lead the future of housebuilding by putting customers at the heart of everything we do.

We will achieve our purpose by continually innovating and applying best practice across our four strategic priorities.

Our strategic priorities

See page 29

Customer first

We put customers at the heart of everything we do.

We deliver customer satisfaction through building high quality, energy efficient and sustainable homes.

Great places

We build long-term relationships to secure attractive land opportunities where people aspire to live.

Through great design and planning expertise, we create positive legacies for communities.

Leading construction

We seek to deliver the highest quality homes by focusing on excellence across each stage of construction.

We work with our supply chain partners to ensure security of supply, minimise waste and promote the use of MMC and development of new technologies.

Investing in our people

People are at the heart of our business and we aim to attract and retain the best by investing in their development and success.

We have established apprenticeship and degree apprenticeship schemes to attract the next generation to our industry.

See page 40

Building sustainably

Nature

We preserve and enhance the natural world by using resources responsibly and creating places where people and nature can thrive together.

Places

We design and build great places that meet the highest standards, and that promote sustainable, healthy and happy living for our customers.

People

We believe everyone has the right to be respected and treated fairly at work. We do the right thing, nurturing diverse talent and prioritising the wellbeing of our people and partners.

Our principles

Keeping people safe

Putting health and safety first by committing to the highest industry standards. Embedding health and safety as a core value for which we are all responsible.

Being a trusted partner

Building meaningful, long-term relationships that make us the developer of choice for our partners. Innovating with our supply chain to drive efficiency and sustainability, whilst meeting our customers' needs.

Building strong community relationships

Engaging fully with local communities and customers when creating our developments. Ensuring we create places where our customers aspire to live and local communities thrive.

Safeguarding the environment

Minimising the environmental impact of our operations and supply chain while increasing the energy and resource efficiency of our homes. Seeking to enhance habitats, biodiversity and local environments across all of our developments.

Ensuring the financial health of the business

We maintain financial discipline across all aspects of our operations. This enables us to deliver our operational targets whilst maintaining our industry-leading standards of customer service and build quality.

Our homes

We are committed to building high-quality energy efficient homes and have been awarded 96 NHBC Pride in the Job Awards – more than any other housebuilder – for 19 consecutive years.

Our customers

We put our customers, at the heart of everything we do, throughout their home-buying journey, with our long-standing commitment to exceptional customer service.

Our brands

Housebuilding

Barratt Homes · Barratt London · David Wilson Homes

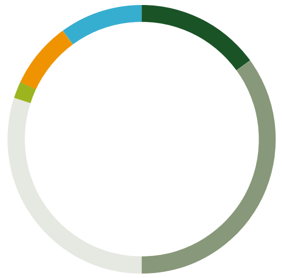
Commercial development

Wilson Bowden Developments

Land promotion

Gladman

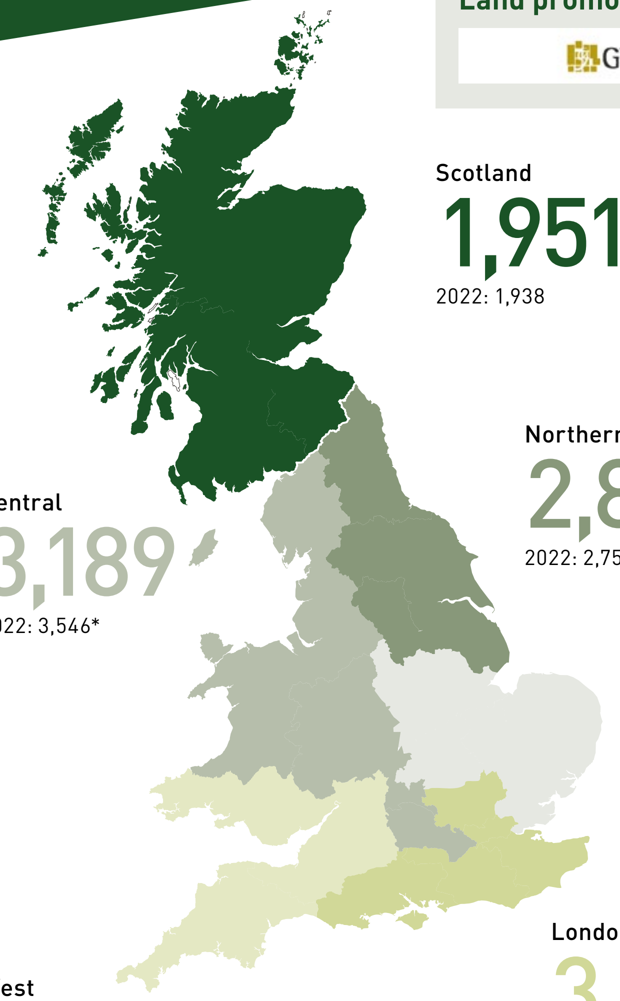
Completions by unit type



1 and 2-bedroom homes	15%
3-bedroom homes	35%
4-bedroom homes	30%
5 and 6-bedroom homes	2%
Flats London	8%
Flats Non-London	10%

Completions by deal type

Help to Buy	9%
Part-exchange	6%
Traditional private	53%
Investor	8%
Affordable	24%



Scotland
1,951
2022: 1,938

Northern
2,821
2022: 2,751

Central
3,189
2022: 3,546*

East
3,400
2022: 3,281*

London and Southern
3,754
2022: 3,979

West
2,091
2022: 2,413*

* Comparatives for 2022 have been restated to reflect the movement of divisions between regions.

How we build value

Our resources

People
Barratt recruits, trains and retains an experienced and committed workforce. Our people's experience supports delivery of a high quality product.

Expertise
The Group, established in 1958, has deep knowledge and expertise in the design and construction of housing in the UK, both in conventional brick built properties and through the use of timber frame. Barratt continues to advance its capabilities through investments such as in the Zed House and Energy House 2.0.

Stakeholder relationships
Barratt builds great places to live through partnerships in the supply chain, with JV partners in our build programmes, and with local communities as part of our site planning and development.
We develop innovative products to support home ownership in conjunction with mortgage lenders. Our strong relationships with our stakeholders are critical in developing the products that our customers want.

Land and planning
Barratt's owned land bank is short by design, but is complemented by investment into strategic land and promotional agreements. Through its acquisition of Gladman in 2022, the Group has sought to increase its level of in-house land expertise to drive margin and deliver a better return on capital.

Finances
The Group's financial position and balance sheet are robust, giving the Group confidence, irrespective of market conditions, to deliver homes into the market at the right price and to engage in the land market with value-accretive bids. The Group held c. £1.1bn of cash as at 30 June 2023.

Competitive edge

We build homes in which customers want to live, in locations where people want to live

We have the financial resources, in-house expertise and stakeholder network to allow us to tender for land in desirable locations around the UK. We use our knowhow and the experience of our people, supported by our three complementary brands, to design and build developments which delight our customers, support local communities and deliver competitive returns for our investors.

Total home completions

17,206

We do this with an experienced team which delivers the best homes on the market

Our customers tell us that our homes are the best in the market. For 14 years in a row, we have been 5 star rated by the Home Builders Federation, meaning over 90% of our customers would recommend us to a friend. In addition, in 2023, our site managers won 96 Pride in the Job Quality awards, the 19th year in a row that Barratt has won more awards than any other housebuilder.

HBF customer satisfaction rating

5 star

We operate nationally and at scale, rapidly converting our land bank to cash

We are the UK's biggest housebuilder by volume and we operate with a national footprint. This allows us to leverage economies of scale across our supply chain, deploy our capital into attractive development opportunities across the country and more easily navigate an increasingly complex regulatory environment.

Average active sales outlets

367

We see sustainability as a differentiator, and a way to create value

We seek to lead the industry to a more sustainable future, both as a responsible home builder, and to develop better, more affordable products for our customers which are easier to finance. We are investing in projects such as the Energy Home 2.0 to understand how this can be done, both to see how such housing can be built and to understand how our customers can benefit from the change.

Scope 1 & 2 carbon intensity

23.7% reduction
vs. FY18

Value for our stakeholders

Customers
We deliver high quality, energy efficient homes, with 99% of our homes being EPC A or B-rated. This means our homes should have running costs that are lower than average.

Employees
We offer a great place to work which is focused on performance and personal development and invest in our people both through training and longer-term career development. We support our people through economic challenges with help such as our £1,000 cost of living payment and invest in their health and wellbeing.

Shareholders
We deliver capital returns, having declared dividends each year since 2013, and in 2023 we completed a £200m share buy-back programme. With our operating framework, we aim to balance business growth with cash returns and seek to develop markets for our products, whether through private sales, bulk deals or the private rental sector.

Suppliers
We nurture our supplier relationships by being honest and transparent, giving forward visibility on both demand and workload. We work with our suppliers to help develop the next generation of housing.

Communities
We seek to create a positive legacy in our developments, incorporating affordable housing alongside private sales. We increase biodiversity on our sites, creating a space for nature and for communities to thrive, and invest to improve community infrastructure as part of our planning gain contributions.

Wider society
In 2023 we paid £186.0m in direct taxation and a further £251.7m in indirect taxes, driven by the sale of 17,206 homes, and employed 6,728 people at the year end.
As the largest housebuilder in the UK, we take our responsibility to support the industry and our supply chain in our journey to a net zero future seriously. We are investing to understand how to get to a zero carbon future and are committed to reaching that destination.

How we measure progress for the future

Non-financial

1 HBF 5 star customer satisfaction

5 star
2022: 5 star

Target
HBF 5 Star customer satisfaction.

Definition
The percentage of homebuyers who would recommend us to family and friends taken from the HBF Homebuilder Survey.

Why it's a KPI
Customer satisfaction is a strategic priority and fundamental to our business.

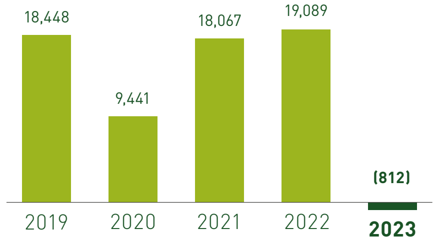
HBF Homebuilder Survey is an industry recognised independently measured indicator of our customer service and build quality.

Key metric for assessing performance for Executive Directors' remuneration.

Link to strategy

2 Land approvals

(812)
2022: 19,089



Target
Replace plots utilised in year.

Definition
The number of plots approved for purchase, less the number of approvals withdrawn.

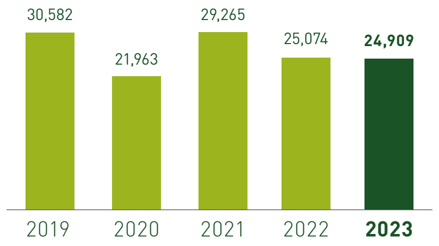
Why it's a KPI
Monitors whether the Group is approving the appropriate amount of land for purchase to support future business activity.

Ensures land is approved at minimum hurdle rates.

Link to strategy

3 Scope 1 and 2 carbon emissions (tCO_2e)

24,909
2022: 25,074



Target
Reduce absolute scope 1 and 2 greenhouse gas emissions by 29% by 2025 from 2018 levels.

Definition
Tonnes of greenhouse gas emissions associated with our scope 1 and market based scope 2 emissions, which includes energy and fuel use on our sites, in our offices and in our company vehicles.

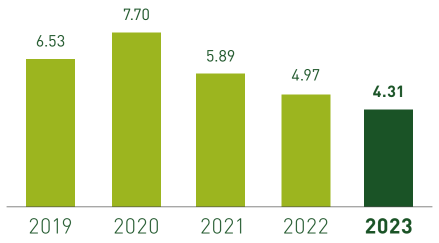
Why it's a KPI
Monitors the environmental impact of our business activities and our exposure to climate-related transition risk.

Scope 1 and 2 carbon emissions intensity is a key metric for assessing performance for Executive Directors' remuneration. To achieve net zero by 2040, we must reduce absolute emissions, therefore we have revised our KPI to be in line with our approved science-based target.

Link to strategy

4 Waste intensity

4.31
2022: 4.97



Target
Reduce construction waste intensity (tonnes per $100m^2$ of legally completed build area) to 5.67 by 2025.

Definition
Tonnes of waste generated from above ground construction for every $100m^2$ of legally completed build area.

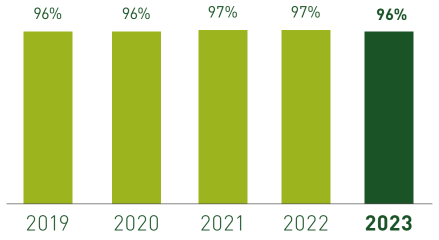
Why it's a KPI
Monitors the efficiency of operations and the use of materials in the construction process.

Key metric for assessing performance for Executive Directors' remuneration.

Link to strategy

5 SHE audit compliance

96%
2022: 97%



Target
Over 94% SHE audit compliance.

Definition
The percentage of internal inspections which are compliant with SHE guidelines.

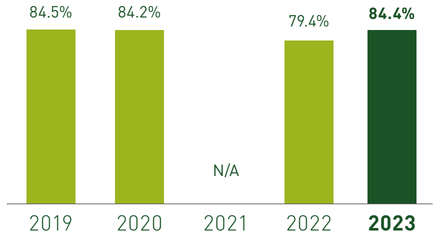
Why it's a KPI
Demonstrates compliance with safety standards on our sites. Lead indicator highlighting areas of SHE focus.

Key metric for assessing performance for Executive Directors' remuneration.

Link to strategy

6 Employee engagement score

84.4%
2022: 79.4%



Target
Exceed 75th percentile score in the engagement survey.

Definition
The percentage level of satisfaction of our people measured using an annual independently conducted survey.

Why it's a KPI
Monitors employee engagement and satisfaction, whilst also providing a forum for view-sharing, to ensure we retain and invest in the best people and focus on their development and success.

Link to strategy

Link to strategy See page 29

- Great places
- Leading construction
- Investing in our people
- Customer first

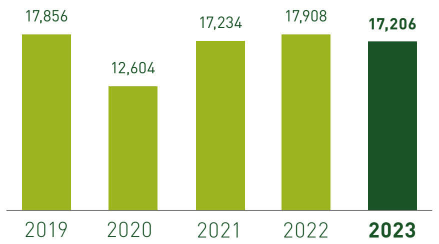
- On track
- Achieved
- Monitor
- Below target
- Target not met

Key performance indicators continued

Financial

1 Total home completions

17,206
2022: 17,908



Target
Growth to 21,500 in the medium term.

Definition
Legally completed homes during the year including JV homes legally completed in which the Group has an interest.

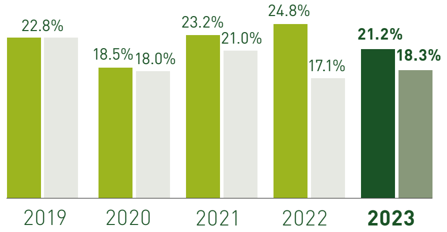
Why it's a KPI
Reflects activity and growth.

Monitors business capacity.

2023 performance
See page 26

2 Adjusted gross margin
Gross margin

21.2%
18.3%
2022: 24.8%/17.1%



Target
Achieve minimum 23% gross margin.

Definition
Gross profit divided by total revenue, expressed as a percentage.

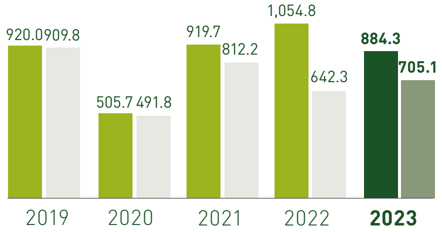
Why it's a KPI
Key internal metric for assessing site profitability.

Enables consistent comparison of land acquisitions.

2023 performance
See page 67

3 Adjusted PBT (£m)
Profit before tax (£m)

884.3
705.1
2022: 1,054.8/642.3



Target
Informed by consensus at the start of the financial year.

Definition
Profit before tax including the applicable share of profits from JVs and associates.

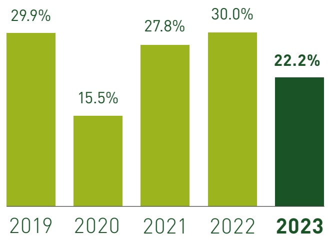
Why it's a KPI
Shows the profitability of the Group relative to market expectations.

Key metric for assessing performance for Executive Directors' remuneration.

2023 performance
See page 68

4 Return on Capital employed

22.2%
2022: 30.0%



Target
Minimum 25%.

Definition
Earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and operating adjusting items for the year, divided by average net assets adjusted for goodwill and intangibles, tax, net cash, derivative financial instruments and provisions in relation to legacy properties.

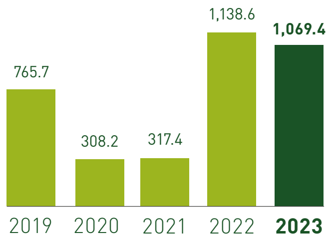
Why it's a KPI
Ensures efficient and effective use of capital.

Key metric for assessing performance for Executive Directors' remuneration.

2023 performance
See page 167

5 Net cash (£m)

1,069.4
2022: 1,138.6



Target
Year-end net cash.

Definition
Cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees.

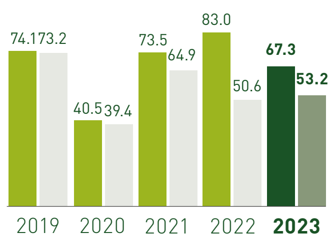
Why it's a KPI
Monitors business liquidity, resilience to risk and ability to take advantage of opportunities, including investments and land acquisition. Allows for distributions to shareholders.

Net cash is key to understanding the strength of the business and has been added as a new KPI this year.

2023 performance
See page 68

6 Adjusted basic EPS (p)
Basic EPS (p)

67.3
53.2
2022: 83.0/50.6



Target
Informed by consensus at the start of the financial year.

Definition
Profit for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding those held by the EBT on which no dividend is paid.

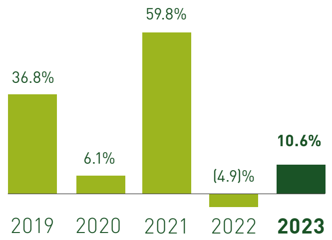
Why it's a KPI
Shows profit attributable to each share.

Key metric for assessing performance for Executive Directors' remuneration.

2023 performance
See page 68

7 Total shareholder return

10.6%
2022: (4.9)%



Target
To grow total shareholder return against FTSE companies (those within 50 above and 50 below the Company in the index) and the Housebuilding sector.

Definition
Measure of the performance of the Group's share price over a period of three financial years. It combines share price appreciation and dividends paid to show the total return to the shareholders expressed as a percentage.

Why it's a KPI
Shows the appreciation and income a shareholder receives from holding each share.

Key metric for assessing performance for Executive Directors' remuneration.

2023 performance
See page 234

On track
Achieved
Monitor
Below target
Target not met

Trends in our markets

The UK economy

UK economic output has grown by 1%[1] during the 12 months to 30 June 2023 with the last quarter to June 2023 registering 0.2% growth on the previous quarter from January 2023 through March 2023. UK monthly GDP at the end of June was 0.8% ahead of that prior to the onset of the pandemic in February 2020. The outlook for the UK economy in the remainder of 2023 and into 2024 is uncertain. Stubborn inflationary pressures being experienced across the whole economy are being exacerbated by limited labour availability and resulting labour cost inflation. Government economic policies and the Bank of England's decisions around interest rates, to further dampen inflation, will be critical in the months ahead, most notably with the Autumn Statement.

In its March 2023 "Economic and fiscal outlook", the Office for Budget Responsibility forecast a GDP decline of 0.2% in 2023 and growth of 1.8% in 2024. HM Treasury's August collated consensus economic forecasts suggested limited GDP growth of just 0.3%[2] in 2023 and 0.6%[2] in 2024.

Housing supply and demand

There remains a fundamental shortage of homes in the UK. This is evidenced both by the long-term growth in home prices relative to incomes and the significant inflationary pressures being seen in the rental market, as an ever increasing number of households are being failed by inadequate housing supply.

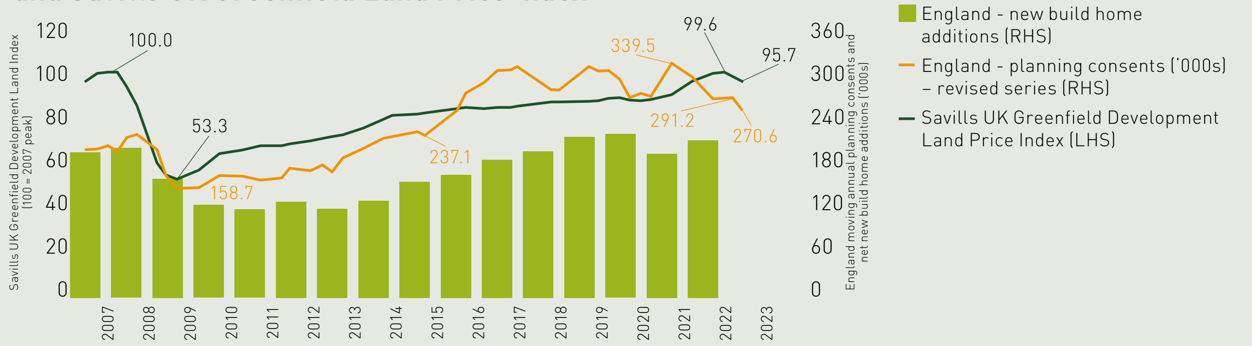
New build housing additions in England were 210,070[3] in the last reported 12-month period to 31 March 2022, growth of 9.5% on the 191,820 in the year to 31 March 2021. This recovery reflected strong home-buying demand following the pandemic, along with the industry's drive to recover build activity following the national lockdown, although labour and building material supply chain constraints moderated the pace of this recovery. As a result, new home additions recovered but remained some 4% below the 219,120 homes completed in the year to 31 March 2020. Net new build additions may register growth when data is released in the winter of 2023, with respect to the year to 31 March 2023 but new build additions look set to fall in the current year. This decline reflects the end of Help to Buy, higher mortgage interest rates and the consequent change in mortgage affordability. The participation of first time buyers in the market has sharply reduced in 2023.

Whilst house prices peaked in August 2022, affordability constraints have seen house prices move lower in the ten months through to June 2023. The average UK house price had reduced by 3.5%[4] in nominal terms according to the Nationwide Building Society over the 12 months to 30 June 2023, which equates to a real terms decline, after adjusting for CPI, of 10.1%.

The shortage of new homes for sale has created additional demand in the rental sector, increasing the average household rent by 10.4%[5] over the year to 30 June 2023, with every region of the UK experiencing significant rent cost increases, according to the HomeLet Rental Index. Based on the HomeLet Rental Index data, rents have increased by 22.0% over the past two years to June 2023 and absent a significant reduction in mortgage interest rates, rental demand will continue to grow as potential homebuyers remain unable to buy.

The housing shortage is increasingly evident across all tenures and is a critical issue for the UK economy and the economic health and wellbeing of its population.

English planning consents and net new build home additions and Savills UK Greenfield Land Price Index



Land supply and the planning system

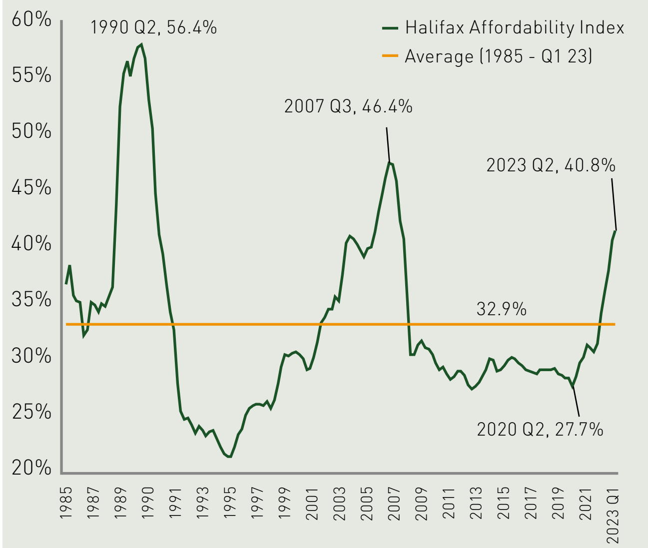
The steady and consistent supply of land within a predictable planning system is critical to the housebuilding industry. There are a number of risks and uncertainties being managed by developers:

- the typical size of development sites, which is growing, and requiring additional time and resources;
- the uncertainty as to the timing of when construction activity can commence on a site given pre-development clearances required;
- the speed with which labour and building materials can be procured for build activity;
- the scheduling and consistency of workload for the sub-contract labour required to sustain the industry over the medium to long term; whilst also,
- ensuring build activity is delivered to required quality standards, whilst ensuring the health and safety of the workforce, as well as customers and homeowners, on new housing development sites.

Following the pandemic, planning consents reached a peak of 339,473[6] in the 12 months to 30 June 2021, a level consistent with the Government's target to deliver 300,000 homes annually by the mid-2020s. However, this level has not been maintained, falling by 20% to 270,559[6] in the year to 31 March 2023.

The political backdrop has not been conducive to delivering the number of planning consents needed by the industry, including five changes in Housing Minister in the last 18 months. There has been a noticeable shift in delivery since the announcement in December 2022 that local housing targets were "advisory" rather than "mandatory", as well as to end the obligation on local authorities to maintain a rolling five-year land supply where they have a local plan in place. This has allowed 58 local authorities to stall, delay or withdraw their local housing delivery plans, with 28 doing so following the December announcement[7].

Halifax Mortgage Affordability Index



In addition to this, Natural England, a non-departmental public body sponsored by the Department for Environment, Food and Rural Affairs, intervened in the planning process in March 2022 and advised 74 local authorities that developments should not proceed if they increased the level of nutrients in water courses and failed to deliver "nutrient neutrality". It is estimated that more than 145,000[7] planning consents have been blocked across the 74 local authority areas, with new housebuilding effectively under a moratorium in these areas and many smaller housebuilders facing business closure.

The Government announced plans to amend the Levelling Up and Regeneration Bill on 29 August 2023 in order to unblock homes currently held up by nutrient neutrality mitigation measures. The details around these measures, their successful passage into legislation, as well as the speed with which the changes come into force, remain uncertain.

Finally, despite the growing complexity of planning applications, the resourcing of local authority planning departments has failed to match growing planning demands. National Audit Office analysis has shown that between 2010/2011 and 2019/2020 funding for planning services reduced by £1.3bn or 55%[8].

All of these factors are conspiring to create a continuing and accelerating decline in planning consents which, in the first quarter of calendar 2023, declined by 24.7% to 63,013, when compared to 2022[6].

The mortgage market and housing affordability

The step-change in mortgage interest rates is charted below and highlights the challenge now faced by homebuyers requiring mortgage finance. Based on Bank of England data[9], mortgage borrowing costs for new mortgages steadily declined for more than 12 years to a low of 1.51% in November 2021. This has though seen a sharp reversal in less than 18 months, with the average cost of new mortgages advances in June 2023 increasing to 4.64%, a threefold increase from the low point, with mortgage interest rates back at levels last seen in 2009.

The Halifax Mortgage Affordability Index combines the prevailing mortgage interest rate on new advances with current home prices, and as can be seen in the chart opposite, the purchase of a new home now equates to 40.8% of after tax income, materially ahead of the long-term average at 32.9%. In the coming months, this affordability measure looks set to be impacted positively by the rate of nominal wage growth but will then ultimately be dependent on the future movements in both mortgage rates and house prices.

We are continuing to work with banks and building societies and other financial institutions to introduce additional lenders to the new build sector and increase lender understanding as to the advantages of new build lending. The development of green mortgages remains an important initiative in this regard. We are also playing an active role in increasing the understanding amongst residential valuers through the Future Homes Hub, as well as developing and promoting advantageous mortgage products, which reflect the energy efficiency and lower running costs, as well as the environmental credentials and the absence of future retrofit spending on the insulation of our homes.

Marketplace continued

Building materials and labour

We experienced an elevated rate of build cost inflation at between 9% and 10% throughout FY23. This reflected:

- the relatively positive outlook for continued housing growth, in the second and third quarters of calendar 2022, which, against a backdrop of relatively constrained supply, created upward pressure on forward building materials supply agreements; and
- the underlying inflationary pressures on labour costs experienced across the wider UK economy during the year; and the lagged impact of the dramatic increase in energy costs, which began in the autumn of 2021 and was further compounded by the conflict in Ukraine. These increases took time to feed through supply chains, given production timeframes and suppliers' energy hedging arrangements.

Through our centralised procurement team, careful scheduling of our building materials demands and the support of our long-standing supply chain partners, we are focused on ensuring security of supply as well as sustainable but competitive pricing.

As a result of the combination of weaker forecast activity, falling energy costs and increased competition in the supply chain for future orders, we expect total build cost inflation will slow to around 5% in FY24.

Future regulatory changes

The industry faces future regulatory changes with respect to biodiversity net gain, as well as the Future Homes Standard over the coming three years.

Biodiversity net gain

Under legislation which will come into force in November 2023, all of our developments will be required to identify and deliver a minimum biodiversity net gain of 10%. This requires our developments to create plans to deliver at least a 10% measurable improvement in the biodiversity of the site developed, relative to the site had development not occurred.

How we are prepared

From January 2023 we have identified a minimum biodiversity net gain of 10% across all new development designs submitted for planning – more than nine months ahead of legislation. We have also embedded a comprehensive operational framework to deliver this change across our divisions, including colleague training, calculation tools, automated data collection, workshops with external consultants, a review of external consultant capacity and capability, and a network of divisional representatives championing BNG.

Future Homes Standard

From 2025 the FHS will require new homes to produce 75-80% less carbon emissions than standards applicable through to June 2022. The detailed requirements and performance measurement around this new Standard are not yet finalised with the timing and transition arrangements for this new Standard, along with industry consultation, yet to be initiated.

How we are prepared

We are evolving our house types and trialling new technologies, with the eHome2 project at the University of Salford, in particular, testing evolving solutions which will be adopted to meet this new standard.

1 **GDP monthly estimate, UK: June 2023**
https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/june2023

2 **HM Treasury: forecasts for the UK economy August 2023**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1180276/forecomp_Aug1.pdf

3 **DLUHC: Housing supply: net additional dwellings**
https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2021-to-2022/housing-supply-net-additional-dwellings-england-2021-to-2022

4 **Nationwide House Price Index – June 2023**
https://www.nationwidehousepriceindex.co.uk/reports/house-prices-relatively-stable-in-june-but-annual-growth-remains-in-negative-territory

5 **HomeLet Rental Index June 2023**
https://homelet.co.uk/homelet-rental-index

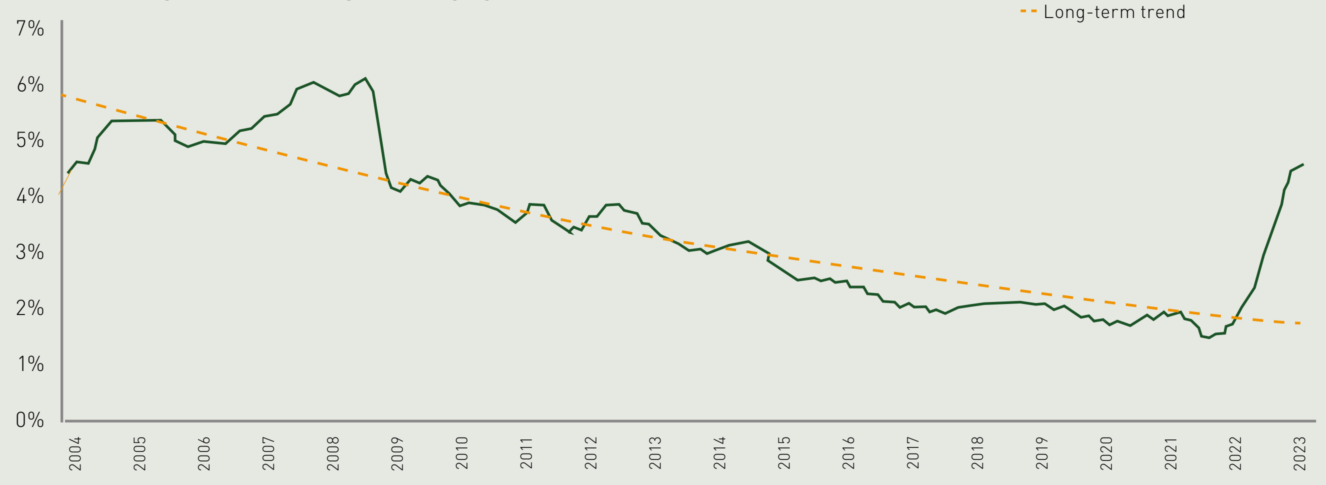
6 **HBF Pipeline Report 1Q 2023 – Published July 2023**
https://www.hbf.co.uk/documents/11892/HPL_REPORT_2022_Q1_final.pdf

7 **HBF Report – 30 June 2023**
https://www.hbf.co.uk/news/nutrient-neutrality-four-years-of-government-failure/#:~:text=New%20estimates%20published%20today%20suggest,year%20until%20solutions%20are%20found.

8 **Levelling Up, Housing and Communities Committee – Reforms to national planning policy – 10 July 2023**
https://publications.parliament.uk/pa/cm5803/cmselect/cmcomloc/1122/report.html#

9 **Bank of England Mortgage lending data:**
https://edu.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May&TY=2025&FNY=Y&CSVF=TT&html.x=66&html.y=26&SeriesCodes=CFMBJ95&UsingCodes=Y&Filter=N&title=CFMBJ95&VPD=Y

Bank of England – average mortgage interest rate on new advances (%)



Chief Executive's Statement

Strong performance in a challenging year

David Thomas
Group Chief Executive

Introduction

During what has been a year of economic and political uncertainty, we have delivered a strong operational and a good financial performance, given the market backdrop. I would like to thank our employees, sub-contractors and supply chain partners for their hard work and commitment which enabled us to manage our site-based construction activity effectively, delivering high-quality efficient homes and great service to our customers.

Our purpose remains clear: to lead the future of housebuilding by putting customers at the heart of everything we do.

Reflecting our position as Britain's largest and leading national sustainable housebuilder, we are committed to playing a key role in addressing the housing shortage and delivering the sustainable, high-quality and energy-efficient homes and developments needed across England, Scotland and Wales.

We will continue to operate the business in a flexible way, with a short land bank aimed at maximising our delivery of housing from our efficient and resilient balance sheet.

Performance overview

We delivered a strong performance against a challenging backdrop this year, while maintaining or focus on both build quality and customer service.

Our performance is a testament to the disciplines embedded by our operating framework as well as the commitment of our employees, sub-contractors and supply chain partners.

Chief Executive's Statement continued

Performance overview continued

- Total home completions were 17,206 (FY22: 17,908).
- We achieved a 21.2% adjusted gross margin (FY22: 24.8%), with adjusted gross profit of £1,130.4m (FY22: £1,308.1m), with reduced profitability reflecting the fall in customer demand, overall house price inflation running below build cost inflation and the operational gearing impact as the market has slowed down.
- The impact of adjusting items, which reflected legacy property costs associated with building safety related remediation activities, resulted in reported gross profit of £974.9m (FY22: £899.9m) and a reported gross margin of 18.3% (FY22: 17.1%).
- We generated an adjusted profit before tax of £884.3m (FY22: £1,054.8m) in line with market expectations. Reported profit before tax, after deducting adjusting items, was £705.1m (FY22: £642.3m).
- Our balance sheet strength has been maintained with year-end net cash of £1,069.4m (FY22: £1,138.6m) after dividend payments of £360m and completion of the £200m share buyback.
- ROCE has reduced by 780 bps to 22.2% (FY22: 30.0%), largely due to reduced profitability.

Our priorities for the year ahead

Against the backdrop of the current more challenging market, our strategy is centred on four key areas.

Driving revenue

Firstly, driving reservations and home completions. This centres on using our industry leading quality and customer service to attract our core private homebuyers and then helping them to access affordable mortgages, thereby enabling them to buy.

As evidenced in FY23, we are also focused on securing reservations from other channels, building on our strategic partnership with Citra Living, as well as our long-standing relationships with registered providers of social housing, public sector bodies and other investors, all of which will support our build activity and completions in FY24.

Controlling costs

We will manage build activity and build costs and control our indirect cost base to be as efficient as possible, whilst ensuring we have in place the operational capacity to deliver growth when market conditions improve. When the market slowdown accelerated following the mini budget in late September 2022, we implemented a recruitment freeze which has already reduced our headcount by 6% from 1 October 2022 through to 30 June 2023.

Maintaining land investment discipline

We will maintain our highly selective approach to land buying, particularly as prevailing land prices have not yet adjusted to the changed market conditions. We will continue to apply our long-standing hurdle requirements for land investment, which require a minimum gross margin of 23% and ROCE of 25%.

Leading sustainability

Finally, we will continue to lead the industry on sustainability, with a particular focus on reducing our environmental impact and increasing the future resilience of the business through our continued drive to reduce construction waste, our development of zero carbon homes and our targeted reduction of carbon emissions from our own operations. We have clear action plans, and targets, as we look to the future to build the energy-efficient, sustainable homes the country needs.

Keeping people safe

Our fundamental priority is always to provide a safe environment for all our employees, sub-contractors and customers, and we are committed to achieving and maintaining the highest health and safety standards. We are continually developing our processes, challenging unsafe behaviours, and looking at ways we can further improve our procedures.

During FY23 we were disappointed that our Injury Incidence Rate (IIR) increased to 289 per 100,000 workers (FY22: 262), reflecting increased levels of slips and trips. Our SHE audit compliance was broadly maintained at 96% (FY22: 97%).

To drive improvement, we engaged with our employees, sub-contractors and our supply chain, seeking their views on how we can further enhance our safety, health and environmental performance. We continue to refine our working practices in line with the latest guidance from Government, Public Health Authorities and the Construction Leadership Council.

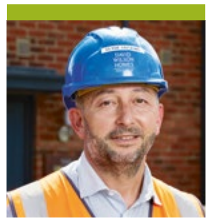
Responsible development

Fire safety and external wall systems

On 13 March 2023 the Group signed the Self-Remediation Terms and Contract with the UK Government. This incorporated into contractual arrangements the commitments made by the Group under the Building Safety Pledge, signed in April 2022.

On 31 May 2023 the Group also signed the Scottish Safer Building Accord, an industry commitment supporting the remediation and/or mitigation of external wall cladding systems on buildings of 11 metres and above. We are working with Homes for Scotland and the Scottish Government to agree a legally binding, long-form contract to give effect to the principles of the Accord. There remains uncertainty around the extent of remediation which will be required in Scotland. Our existing provisions for Scottish buildings have been made on a consistent basis with England and Wales.

During the year, through the changes in inspection parameters and testing, we identified a further 55 buildings on 20 developments requiring potential remedial works. This change, in combination with an update to cost estimates across the portfolio, offset by an increase in the discount rate applied to the provision, resulted in an additional charge of £117.7m (FY22: £377.7m), recognised as an adjusted item.



Leading the future

Going the extra mile for our customers

See page 30

Reinforced concrete frames

Our remediation activities with respect to concrete frame design and construction continued during the year with the majority of developments proceeding in line with plan, but against a backdrop of inflationary build cost pressures. During the second half we also finalised remediation plans for the one remaining development from the Citiscape review, where work is required across five buildings. Finalisation of this remediation plan as well as ongoing remediation activities resulted in an additional charge of £51.5m, of which £21.3m related to JV legacy developments.

In addition, we identified two further developments where remediation work might be required. At the year end £2.4m had been spent on one JV development and £7.6m has been provided in relation to future remediation costs. The sum provided is below the initial estimate, detailed in our July trading update, but remains subject to further detailed analysis, which is ongoing and is expected to conclude over the next six months.

Our dedicated Building Safety Unit is managing our overall ongoing building safety remediation programme, which we anticipate will be delivered over the next five years, with building safety considerations informing the prioritisation and scheduling of works.

More details around the adjusted item charges with respect to building safety can be found in the Chief Financial Officer's review on page 66.

Further details on our approach to building safety can be viewed on our website at: www.barrattdevelopments.co.uk/about-us/our-approach-to-building-safety.

Competition and Markets Authority (CMA)

The CMA announced on 16 August 2022 that, after more than three years of investigation, it had closed its investigation into the Group in relation to the sale of leasehold homes with no action being taken.

On 28 February 2023 the CMA launched a market study into housebuilding in England, Scotland and Wales. We welcome the study, which will provide an opportunity for the industry to explain in detail the current challenges it is facing. We have taken a proactive and constructive approach in engaging with the CMA to assist with their study. The CMA reported on 25 August 2023 that its review was continuing and we will continue to work constructively with the CMA through this process.

The Barratt Foundation

Now in its third year of operation, the Barratt Foundation is fulfilling our commitments to charitable giving and social responsibility. We believe it is important to bring together both our financial resources and the commitment and enthusiasm of our employees to support charitable causes locally and at a national level.

In FY23, we raised £6.3m (FY22: £5.1m) for charitable causes through the Barratt Foundation, including the Group donation of £4m. Notable grants during the year included £900,000 in grants to five new national charity partners. The five charities receiving grants were: Whizz-Kidz (£350,000), Place2Be (£300,000), Refuge (£100,000), Bookmark (£100,000) and the Lighthouse Club (£50,000). Each of these charities was carefully selected by the Barratt Foundation Trustees, reflecting their alignment with the Foundation's key priorities centred around promoting social inclusion, mental health and education.

Barratt and David Wilson Community Fund

The Barratt Foundation also continued to support the Barratt and David Wilson Community Fund throughout the year. This enables each of our divisions and Group offices to support local charities that really matter to them by donating £1,500 to a different local charity each month. Building on this, and reflecting the challenges faced by many over the Christmas period in 2022, the Barratt Foundation also provided an additional £5,000 to each of the Group's divisions and two Group offices with donations going to 48 small local charities such as hospices, food banks and homelessness charities.

Employee engagement in our charitable activities

To encourage our employees to raise funds for local causes, the Barratt Foundation matches funds up to £15,000 per division and up to £2,000 per employee for employee fundraising. The Group also partners with Payroll Giving in Action to enable employees to make regular, tax-free donations to their chosen charities.

In FY23, Barratt employees and divisions raised a record £1.3m (FY22: £0.7m) for charities and good causes, with an additional £0.8m (FY22: £0.3m) provided by the Barratt Foundation in matched funding, after doubling the available match funding for employee fundraising at the start of the year.

More details around the Barratt Foundation and its activities can be found at: www.barrattfoundation.org.uk.

Operational review

Reservation activity

Our net private reservation rate in FY23 was 0.55 (FY22: 0.81). The decline across FY23 reflected a significant deterioration in trading following the fiscal event in September 2022, which continued to the end of the calendar year and was also impacted by the closure of the Help to Buy scheme, which closed to new reservations on 30 October 2022.

Relative political stability, a modest recovery in consumer confidence and an easing in mortgage interest rates helped improve the reservation rate from the start of January 2023 through to early May 2023, before it reduced again, reflecting growing uncertainty around inflation and mortgage interest rates for our potential customers.

Chief Executive's Statement continued

Operational review continued

Reservation activity continued

Net private reservation rate	H1	H2	FY
FY23	**0.44**	**0.65**	**0.55**
FY22	0.79	0.84	0.81
FY23 vs FY22 (%)	(44.3%)	(22.6%)	(32.1%)

Reservation activity in the year also reflected the more challenging backdrop for first time buyers finding it harder to raise deposits following the end of the Help to Buy scheme in October 2022 and the sharp increase in mortgage interest rates and reduced availability of 95% mortgages following the fiscal event in September 2022. There was more resilient demand from existing homeowners who tend to have access to larger deposits, where limited numbers of homes for sale in the wider market, the energy efficiency of our new homes and the backdrop of significant rental cost growth helped to support demand.

Our reservation rate in FY23 was augmented by increased multi-unit sales into the private rented sector along with additional private unit sales to registered providers of social housing ("RPs"). This has partly mitigated sales risk during the period, supported our construction activity and ensured more of our homes will be made available for both the private rental and affordable homes market. The net private reservation rate into the private rented sector, along with additional private units to RPs, contributed 0.10 (FY22: 0.03) in the year.

During the year, we operated from an average of 367 active sales outlets (FY22: 332) including eight active JV sales outlets (FY22: seven). Growth in active outlets reflected two factors. Firstly, we made solid progress on new site openings, despite both ongoing planning delays and our step back from the land market, launching a total of 104 new sales outlets (including JVs) in the year (FY22: 118). Secondly, the significantly lower private reservation rate on existing sites extended the sales activity of several outlets.

At the end of the year we were operating from 389 active sales outlets (30 June 2022: 352), including nine JV outlets (30 June 2022: nine).

In FY24, we expect to see average active sales outlets reduce by around 6% reflecting both reduced outlet openings given our step back from the land market and the impact of sites ending where sales activity was extended by lower reservation rates.

Construction activity adjusted to slower demand

Reductions in demand from late September 2022 required adjustments to construction activity across our operations. The result was on average 322 (FY22: 352) equivalent homes (including JVs) built per week in the year.

During FY24 our construction activity will reduce further as we align it with sales reservation activity and ensure efficient deployment of working capital across our sites.

Home completions

Total home completions reduced by 3.9% in FY23. The strength of our order book and demand in the first quarter of the year supported growth of 6.9% in total home completions in the first half. However, the significant change in reservation activity during the second quarter, the closure of the Help to Buy scheme to new reservations from 31 October 2022, and the slower rate of reservations from the start of the new calendar year created a 12.8% decline in total home completions in the second half. As a result, the affordable housing share of wholly owned home completions increased to 23.9% (FY22: 22.3%) and the Help to Buy share of completions declined to 9% (FY22: 19%).

Completions (homes)	FY23	FY22	Change
Private completions	**12,456**	13,327	(6.5%)
Of which: PRS	**258**	36	616.7%
Affordable completions	**3,922**	3,835	2.3%
Wholly owned completions	**16,378**	17,162	(4.6%)
JV completions	**828**	746	11.0%
Total (including JVs)	**17,206**	17,908	(3.9%)

The average selling price (ASP) of wholly-owned completions increased by 6.5% to £319.6k (FY22: £300.2k). The private ASP increased by 7.9% to £367.6k (FY22: £340.8k), up 13.6% in the first half, benefitting from the strong private order book position carried into FY23, as well as steady pricing during the first quarter. Following the turbulence in mortgage markets, the private ASP in the second half only grew by 3.2% reflecting the softening in demand seen following the September fiscal event and increased sales incentives.

Within our private completions, we completed 258 homes (FY22: 36) for Citra Living. The ASP of these PRS completions was £280.9k (FY22: £172.3k) with the significant step up in the PRS ASP reflecting a more typical mix of the 2 and 3-bed homes being sought and acquired by Citra Living to the limited, and apartment dominated, completions in FY22.

Affordable ASP increased by 4.9% to £167.2k (FY22: £159.4k), reflecting an increased proportion of completions from our outer London operations. We anticipate that the affordable ASP in FY24 will be at a similar level to that reported in FY23.

Land and planning

As market conditions changed, we stepped back from the land market in September 2022. We have adopted a highly selective approach to buying land, particularly as prevailing land prices have not yet adjusted to the changed market conditions. As a result, gross site approvals increased by 31 new sites during the year, including two sites through planning amendments. These were offset by 33 previously approved sites which are no longer economically viable, resulting in a net decrease of two sites in the year (FY22: net approval of 102 sites). Given our current view of the market, land prices and our existing development pipeline, we do not expect our approach to land acquisition to change for the foreseeable future.

The approved sites along with planning amendments added 4,821 plots, at a cost of £345.2m, with 5,633 plots removed with respect to the sites no longer proceeding, at a previously agreed cost of £360.1m. The result was a net reduction of 812 plots in the year (FY22: net addition of 19,089 plots) and a net decrease in our land approval commitments of £14.9m (FY22: net increase of £1,396.1m).

We invested £822.8m (FY22: £1,036.0m) on land acquisitions and the settlement of land creditors during the year and we now expect to spend between c. £500m and £700m on land in FY24, largely settling existing commitments.

We continue to target a geographically balanced land portfolio in the medium term with a supply of owned land of c. 3.5 years and a further c. 1.0 year of controlled land. We are broadly in line with this target with the land bank comprising 3.6 years of owned land (30 June 2022: 3.9 years) and 0.7 years of controlled land at 30 June 2023 (30 June 2022: 0.8 years).

More than 81% (30 June 2022: 75%) of our owned and unconditional land bank plots have detailed planning consent, supporting our sales outlets position and future home completions.

Our land bank at 30 June comprised:

Our land bank	30 June 2023	30 June 2022
Plots with detailed planning consent	**48,270**	51,009
Plots with outline planning consent	**9,658**	15,957
Plots with resolution to grant and other	**1,320**	721
Owned and unconditional land bank (plots)	**59,248**	67,687
Conditionally contracted land bank (plots)	**11,142**	13,239
Total owned and controlled land bank (plots)	**70,390**	80,926
Number of years' supply	**4.3**	4.7
JVs owned and controlled land bank (plots)	**4,356**	4,548
Strategic land bank (acres)	**16,431**	15,537
Strategic land bank (plots)	**101,784**	91,440
Promotional land bank (plots)	**96,844**	93,696
Land bank carrying value (£m)	**3,139.9**	3,339.9

At 30 June 2023, the estimated ASP of plots in our owned land bank was £331k (30 June 2022: £322k) and the estimated gross margin in our land bank, based on current estimated sales prices and build costs, is 19.7% (30 June 2022: 25.8%).

Strategic land activity

During the year, we delivered 3,938 (FY22: 4,530) or 24% (FY22: 26%) of our wholly owned home completions from strategically sourced land, We converted 777 plots (FY22: 1,663) of strategic land into our owned and controlled land bank during the year. Our strategic land teams placed increased focus on securing additional strategic land to support future growth and 21,802 plots across 70 strategic sites were approved during the year (FY22: 14,620 plots and 61 sites).

At 30 June 2023, around 23% (30 June 2022: around 25%) of our strategic land is allocated or included in draft local plans. We are also benefiting from the additional expertise brought by Gladman Developments' planning teams who, working with our strategic land teams, are identifying ways to accelerate delivery from our strategic land bank.

We continue to target around 30% of wholly owned completions from strategic and promotional land in the medium term. We believe this is both appropriate for our business model, and reflects the development and planning prospects held within our strategic land portfolio as well as our targeted land bank length and focus on ROCE.

Notwithstanding that, along with the rest of the industry, we have experienced problems with the ineffective planning system over the past year, we are well positioned, with all expected FY24 completions (FY23: all FY23 completions) having outline or detailed planning consent.

Land promotion activity

Through the acquisition of Gladman we now hold a significant promotional land portfolio of 96,844 plots (30 June 2022: 93,696 plots), with Gladman continuing to operate as a standalone business within the Group.

During FY23, Gladman secured an estimated 9,453 plots, (five months in FY22: 1,882 plots) through new promotional agreements with landowners. Following several planning successes, the business received planning consents on 2,437 plots during the year (five months in FY22: 807 plots). Whilst wider market demand for land weakened from the end of the first quarter, continued demand for land with planning consent from smaller developers saw Gladman secure land sales equating to 1,813 plots, (five months in FY22: 1,332 plots).

Gladman generated revenue of £20.4m and an operating profit, before amortisation of intangible assets, of £3.8m during FY23, (five months in FY22: sales of £23.3m and operating profit, before amortisation of intangible assets, of £12.4m). The reduction in revenue and profitability reflects the slowdown in the land market as many housebuilders reduced their land buying activity.

With access to the Group's financial resources, Gladman continues to engage with new and existing land promotion partners around alternative routes to unlocking value from their respective land positions. Reflecting the changing needs and aspirations of land promotion partners, Gladman offers the ability to convert promotional agreements into option, hybrid or freehold sale arrangements for all, or part, of their land promotion partners' holdings.

Chief Executive's Statement continued

Operational review continued

Maintaining efficiency and controlling costs

Maintaining the efficiency of our operations and controlling costs remain key focus areas for the Group. Our supply chain is robust and carefully managed, with approximately 95% of our building materials sourced by our centralised procurement function, and around 90% of our building materials are manufactured or assembled in the UK.

We remain committed to working with our supply chain partners to secure sustainable, competitive pricing, while maintaining security of supply to support our site-based operations and we have supply agreements in place for 73% of our material requirements to 31 December 2023 (FY23: 73% to 31 December 2022), and 14% of our requirements until 30 June 2024 (FY23: 12% to 30 June 2023).

We are starting to see some of the inflationary pressure on the cost of skilled labour abating, reflecting the slowdown in housebuilding activity across the country and the desire of sub-contractors and skilled trades to secure future workload. We are looking to drive further construction efficiency through standardisation in our house types and increased use of timber frame to reduce our labour requirements and reducing waste.

During FY23, total build cost inflation (including infrastructure costs, materials and labour) was between 9% and 10%, with the rate of inflation moderating towards the end of the year. Reflecting the slowdown in the market, and assuming no further material changes in the costs of energy or key commodities, we expect total build cost inflation to abate through FY24, with average total build cost inflation at around 5%.

We are also pro-actively managing our overhead base. As the slowdown in the market became apparent in late September 2022, we began a headcount freeze which has reduced our number of employees by 6% since the end of the first quarter. We have continued to invest in priority areas including sustainability, building safety and in our IT infrastructure but are only hiring where additional skills are required by the business. We have also scaled back discretionary spend in other areas.

Current trading and outlook

Long-term housing market fundamentals reflect a continued and deteriorating imbalance between housing supply and demand. Despite this imbalance, the market is currently impacted by significant macro-economic headwinds, most notably persistent inflation and a higher interest rate environment. This backdrop has had a negative impact on UK economic growth, employment, mortgage affordability and consumer confidence and spending.

We entered FY24 with a solid forward sales position and at 27 August 2023 we are 49% forward sold with respect to private wholly owned home completions for FY24 (28 August 2022 for FY23: 62%) with 51% of the private order book exchanged (28 August 2022: 59%).

Since the start of the new financial year our net private reservation rate per active outlet per average week for the period to 27 August 2023 was 0.42 (FY23: 0.60). This reflects both traditional seasonality but also the continued affordability challenges faced by potential homebuyers. During the period there was minimal impact from sales to the private rental sector and registered providers of social housing, which contributed 0.02 (FY23: 0.05) to the reservation rate.

Based on current market conditions, we are targeting total home completions of between 13,250 and 14,250 in FY24, including c. 650 home completions from our JVs and c. 750 completions for the private rental sector, whilst ensuring we maintain our industry-leading standards of build quality and customer service. We currently estimate that around 45% of our completions will be delivered in the first half of the financial year.

	27 August 2023		28 August 2022		Variance %	
Forward order book	£m	Homes	£m	Homes	£m	Homes
Private	1,527.6	4,440	2,421.5	6,467	(36.9%)	(31.3%)
Affordable	752.0	4,691	1,079.6	6,658	(30.3%)	(29.5%)
Wholly owned	2,279.6	9,131	3,501.1	13,125	(34.9%)	(30.4%)
JVs	157.7	477	307.8	933	(48.8%)	(48.9%)
Total	2,437.3	9,608	3,808.9	14,058	(36.0%)	(31.7%)

Our strategy

Building Britain better homes

Barratt Developments is well-placed to navigate through the current headwinds and deliver on its long-term growth strategy.

Guiding all our actions are our principles

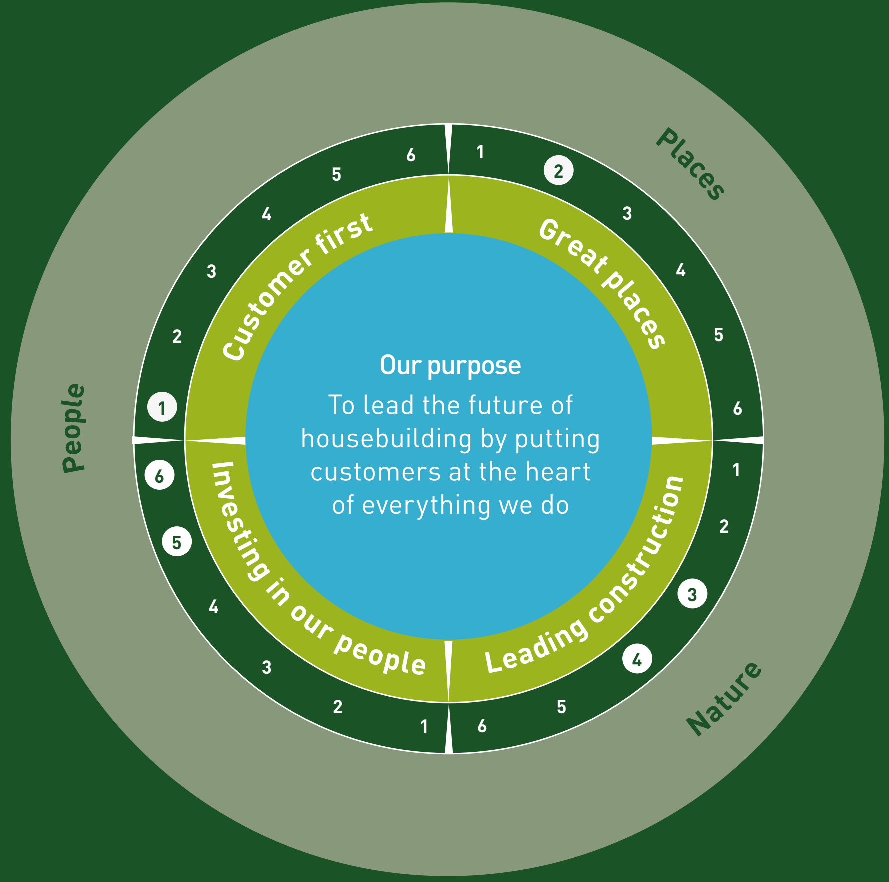
Keeping people safe

Being a trusted partner

Building strong community relationships

Safeguarding the environment

Ensuring the financial health of the business



Key

- Sustainability commitments
- Strategic priorities

Non-financial KPIs

1. HBF 5 star customer satisfaction
2. Land approvals
3. Scope 1 and 2 carbon emissions
4. Waste intensity
5. SHE audit compliance
6. Employee engagement score

Our strategy continued

Customer first

Leading the industry in consistent customer service

Our customers are at the heart of everything we do. We believe our industry leadership in customer service is fundamental to our success and we are the only major housebuilder to have now been awarded the maximum 5 star rating by our customers in the HBF Customer Satisfaction Survey for 14 consecutive years, with a customer satisfaction rating at 92.8%.

New Homes Quality Code

Building on investment and training during 2022, we successfully adopted the New Homes Quality Code and activated our registered developer status with the New Homes Quality Board in the year. We welcome the Quality Code, which is centred on fairness throughout the customer journey. The Quality Code covers the period from initial enquiry through to completion and then two years post-occupation of the new home. We are pleased that since activating the Quality Code, there have been no adjudications required by the New Homes Ombudsman Service with respect to our homes and customers.

Delivering service beyond home completion for our customers

As we seek to ensure our customers receive the best possible service throughout their home buying journey and in the period post-completion, we have invested in additional training and workshops to enhance our service and our customers' experience beyond the handover of their new home.

We have continued to drive improvements to the customer journey and have adapted our processes to help our customers through the volatility in the mortgage market during the year. We will continue to work with lenders to ensure our customers have access to the most attractive and suitable mortgage products available.

Addressing mortgage access and the affordability challenges faced

Given the affordability challenges now faced by potential homebuyers, we are continually looking at how we can help with numerous offers, which include:

- the housebuilding industry's "Deposit Unlock" scheme which is available to our customers who only have access to a 5% deposit;
- our "Key Worker Deposit Contribution" scheme, where we offer a 5% contribution, as well as flooring included in their new home;
- our "Deposit Boost" scheme for customers with a 10% deposit where we can boost it with a further 5% contribution of the purchase price allowing access to 85% LTV lending rates;
- our "Parent Power" scheme where first time buyers with parental support can access a matching deposit contribution up to 5% of the purchase price of their new home; and
- our "Armed Forces Deposit Contribution" scheme where military service personnel will be offered a 5% contribution, up to £15,000.

We also continue to promote our part-exchange offers to customers. We were the first housebuilder to introduce part-exchange and we have a long record of helping existing homeowners in their purchase of a Barratt or David Wilson home using one of our five tailored part exchange schemes.

"This is one of the most helpful companies I've ever dealt with; the staff are absolutely lovely and are really thorough and invested in getting you the best deal."

Jasmine and Kim,
Barratt customers

Trustpilot score

4.4

Growing the private rental opportunity

Finally, recognising the ongoing demand for housing of all tenures, we have developed our relationship in the private rental sector, with Citra Living, on our developments across the country.

New build advantages for our customers

We are continually seeking to improve the energy and water efficiency of our homes and adapting our home designs to respond to changing homebuyer demands, the Future Homes Standard and other changes to Building Regulations. We aim to build high quality homes that optimise internal space, deliver excellent energy and water efficiency and, as a result, unlock lower lifetime costs for our customers.

We actively promote the lower energy cost and environmental advantages of our homes across all our communication channels and in our sales centres. This is an increasingly important purchasing consideration for our customers. A typical Barratt or David Wilson home can unlock energy savings of up to £2,200 annually when compared to an average existing home. In FY23 99.2% of our home completions were EPC rated "B" or above, a level of energy efficiency shared by just 3.2% of the existing housing stock. In addition, all of our homes are built to a water use standard of 105 litres per person per day, creating the potential to reduce consumption by 26% when compared to the national average and creating further cost savings for our homeowners.

Green mortgages: leading valuation and mortgage developments across the sector

Mortgage lenders, driven by their own sustainability initiatives, the growing recognition of future retrofit costs in relation to energy efficiency for existing homes, and the scale of annual savings for customers buying a new home, are increasingly engaging with the housebuilding industry around green mortgages.

As the leading national sustainable housebuilder we have adopted a dual approach to green mortgage development. Firstly, we are continuing to work directly with lenders to develop enhanced products that recognise the advantages of our new build homes. During FY23, we collaborated with The Leeds Building Society to support the launch of a new green mortgage product. This product, which recognises the advantages inherent in our new homes and has the potential to unlock up to a 10% uplift in lending available for our energy efficient homes.

Secondly, through Government engagement, notably through the Future Homes Hub, Barratt's Head of Mortgage Lender Relations chairs the "Valuation Oversight Group", which is considering how the value of sustainable benefits of new homes can be recognised in the mortgage valuation process.

The financial and environmental advantages of new build homes have never been as significant as they are today, and we are committed to enhancing both the access and affordability of our new homes in partnership with both lenders and surveyors.

Customer First Objectives

0–1 year: We will target our continued 5 star customer service and drive improvement in our nine-month survey score. We will also launch a single portal covering our customers throughout their journey with the Group, encompassing the marketing and sale process through to customer care post-occupation.

1–3 years: We will develop new technology-based solutions to improve the planning, scheduling and efficiency of our customer care teams, internal technicians and external sub-contractors. We will continue engagement on green mortgage development with lenders, surveyors and Government.

3+ years: We will be developing immersive augmented and virtual reality tools to improve and further personalise each customer journey.

Our strategy continued

Great places

Land supply
We build homes in locations where our customers want to live, with good access to open space and amenities, transport connections, schools and workplaces. Our specialised divisional land teams, including the Gladman team, possess extensive local knowledge and strong relationships with landowners. This, combined with detailed research into local market conditions, means we can secure land in locations of strong customer demand.

Built For Life
Placemaking principles are fundamental to our business: our customers want to live in great places that create a positive legacy and for land owners too, the future legacy created by a site can be critical to successful land acquisition.

Our internal Great Places design principles are aligned to the Government-endorsed "Building for Life 12" criteria and the updated "Building for a Healthy Life" standard, which incorporates additional health and wellbeing criteria. As a result, Great Places puts greater emphasis on development design to support good physical and mental health and wellbeing. We deliberately shape our developments around existing ecology, green spaces, walkways and cycle paths to encourage social interaction and a sense of community and appreciation of the surroundings created.

During FY23, 19 developments achieved Gold awards under Great Places with a further 46 developments receiving Silver awards and 4 developments achieved commendations under the "Building for a Healthy Life" standard, with Phase 4 of our West Hendon development achieving an "Outstanding" rating from the judges.

We also launched our new "Green Spaces" awards in FY23 to recognise and encourage developments with integrated and accessible green spaces.

Warren Grove Storrington

Upton Gardens

Biodiversity net gain adoption ahead of legislation
With our national rollout programme embedding biodiversity best practice across all regions completed in the year, all our development designs submitted for planning from January 2023 identified a minimum biodiversity net gain (BNG) of 10% and we remain ahead of the legislation.

An important ingredient in delivering BNG is landscaping. To drive our leadership in this area, we launched a new "Landscaping Handbook" which sets out best practice for the design and delivery of landscaping across our developments. Alongside the launch, we appointed divisional "BNG Champions", ensuring landscaping best practice is both adopted and reported looking to the future.

BNG also relies on the long-term stewardship of our developments, as such, measures have been put in place to ensure landscaping and BNG performance are also incorporated in the terms of operation for the management companies responsible for our developments post-completion.

Water resilience for our customers
Water resilience is becoming increasingly important and we have a responsibility to mitigate against future risks of geographical water scarcity and flooding. We do this by increasing the water efficiency of both our homes, as highlighted earlier, but also by increasing the resilience of our sites to water scarcity and flooding through careful design and development landscaping.

In FY23, 83% (FY22: 72%) of our developments used above-ground, landscape-led Sustainable Urban Drainage Systems, which manage surface water volumes and flow rates, reducing the impact of urbanisation and flood risk. We are committed to further sustainable drainage adoption to address water management on our developments.

Objectives
0–1 year: We will embed BNG best practice and ensure our sites are delivering accurate reporting on BNG performance and progress.

We will work with Government and other interested parties to seek to overcome the challenges faced around nutrient neutrality to unlock future housing development.

1–3 years: We will further improve the layout and landscaping of our developments with a particular focus on inclusivity for all, including improvements to play areas and green spaces on our developments.

3+ years: Our focus will remain on leading the development of sustainable places that satisfy the country's need for more housing whilst creating a positive economic, social and environmental legacy.

Leading construction

Industry leading build quality
Our absolute commitment to excellent build quality is embedded throughout our business. We believe a key measure of build quality is delivered through the NHBC's five-stage inspection of our homes throughout their build. Issues relating to build are identified as "Reportable Items" (RIs) at each inspection. Throughout FY23, and for the fourth consecutive year, we have maintained our industry leading position amongst the major housebuilders, with the Group once again registering the lowest RIs per NHBC inspection. The Group achieved an average 0.16 RIs per NHBC inspection (FY22: 0.13 RIs), the lowest of all major housebuilders. The strength of our site management, the standards we set for our long-standing sub-contractors, their familiarity with our housetypes, the photographic records taken of each home at key stages and our use of high-quality building materials all contribute to this result.

Site management excellence for a record 19th year
Our build quality also continues to be recognised through the NHBC Pride in the Job Awards for site management. At the 2022 Regional NHBC Pride in the Job Awards, 34 site managers won "Seals of Excellence" and our site managers secured five out of the nine Regional Awards where we operate in the "Large Builder" category. Finally, at the NHBC Pride in the Job Supreme Awards in January 2023, Kirk Raine, Site Manager at Doseley Park in our Mercia Division, was named Supreme Winner in the Large Builder category.

In June 2023 at the 2023 National NHBC Pride in the Job Awards 96 site managers secured awards, more than any other housebuilder for the 19th consecutive year. No other major housebuilder has achieved this level of success and consistency, in terms of the recognition for the management of site standards and build quality. All of our sites also operate under the Group's certification to the Environmental Management System standard ISO 14001, and Health and Safety standard OHSAS 18001.

Innovation through modern methods of construction (MMC)
We delivered 5,578 homes using MMC equating to 32% of our total home completions (FY21: 4,846 homes and 27% of total home completions). MMC creates opportunities to build with greater speed and efficiency, mitigate the impact of the skills shortage facing the industry, reduce on-site waste, reduce embodied carbon and diversify the types of materials we use. The various MMC used across our total home completions are detailed below.

MMC	FY23	FY22
Timber frame	**4,564**	3,736
Roof cassettes	**224**	194
Offsite ground floors	**560**	614
Large format block	**230**	226
Light gauge steel frame	**—**	76
Total[A]	**5,578**	4,846
Percentage of completions[A]	**32%**	27%

A Total and percentage of completions include JVs and have been adjusted for homes where more than one technology has been used.

New timber frame facility moving into operation
Underpinning our growth in the use of MMC is the more widespread use of timber frame construction across our developments. Supporting this growth, we completed construction of the Group's new Oregon timber frame facility at Infinity Park, near Derby.

The new 186,000 square feet facility has been constructed to exacting requirements around its sustainability performance and has achieved a BREEAM "Very Good" rating and an EPC "A" rating. The facility also incorporates a wide range of energy-efficient features including photovoltaics, air source heat pumps and LED lighting, as well as electric vehicle (EV) charging points across 10% of the parking spaces. This £45m investment has been commissioned and will increase production through FY24.

Waste reduction
Waste reduction and resource efficiency remain clear priorities for the Group, notwithstanding our industry leading performance. Reflecting our workforce's ability to drive waste reduction, bonus arrangements across the Group in FY23 once again included waste reduction targets and this will continue in FY24.

Supported by our dedicated Group Waste Project Manager, detailed action plans and incentives, and monthly waste monitoring, we have delivered a further improvement in our waste intensity with a 13.3% reduction to 4.31 tonnes per $100m^2$ of legally completed build area (FY22: 4.97 tonnes per $100m^2$ legally completed build area. In the year, our absolute waste tonnage decreased by 17.1% (FY22: decreased by 15.5%).

We continue to promote the segregation of waste and the efficient use of skips across our business; our diversion of waste from landfill remained at 96% during the year (FY22: 96%). In FY23, more than 36,000 paint tins across our sites were recycled (FY22: more than 30,000), and 392,363 pallets, used in the supply of building materials to site, were recycled (FY22: 366,408 pallets).

Lightweight compactible materials continue to represent the largest portion of our remaining waste, particularly plastic and packaging materials. Several waste reduction initiatives were trialled in FY23 seeking to reduce packaging waste through specific supplier arrangement, to minimise damage to building materials in transit, combined with site best practice around building material storage on site. Future waste reduction initiatives will also involve revisions to our housetypes, with increasing standardisation of key components e.g. staircases and the introduction of a specific kit of parts reducing waste materials.

Our strategy continued

Leading construction continued

Water efficiency on site

We are committed to reducing operational water use on our sites and throughout our estate. Currently 80% of our operational sites have provided water consumption data (FY22: 61%) and through our metering rollout plan we are targeting that all of our sites will have water metering by the end of FY24. This will provide data on our baseline water use against which we can plan actions to reduce water consumption and measure our performance.

New building regulations

During FY23 our Group Design and Technical team, following the release of the Government's SAP calculator in autumn 2022, fine-tuned our solutions to ensure all our housetypes met the requirements of new 2021 Building Regulations. The new standards became effective on new development sites on 15 June 2022 and applied to all development sites from 15 June 2023.

The Zed House and the Future Homes Standard

The Zed House completed extended periods of occupation, monitoring and testing during FY23. This has yielded invaluable performance information which is being used to inform the Group in determining the most effective changes to our housetypes to meet the Future Homes Standard in 2025 and the different legislative requirements in England, Scotland and Wales, while also ensuring we create the best possible homes for our customers.

Future homes for our customers – eHome2

To achieve the Government's carbon reduction targets, the UK will require a step-change in the design of new homes. As the leading sustainable housebuilder we are committed to developing homes that will meet the future challenges of both carbon emissions reduction and adaptation to climate change.

A further milestone on this journey for the Group has been the construction of eHome2 where we have collaborated with Saint-Gobain to build a concept home within the "Energy House 2.0" on the University of Salford campus. Built within one of two environmental chambers inside the "Energy House 2.0", the largest facility of its type in the world, the eHome2 can test the effects of climate change and look at ways new houses can cope with more extreme weather conditions, whilst cutting energy and water usage.

The three-bedroom family home will test both innovative building products and new technologies designed to meet the Future Homes Standard and builds on our knowledge and understanding gained from the Zed House. The eHome2 has been constructed using an advanced closed panel timber frame solution with an offsite pre-insulated ground floor system and both lightweight alternative brickslip and render systems to the external façade. The eHome2 was also built in less than 14 weeks – half the time it takes to build a traditional home. The eHome2 will also test zero carbon performance in different temperatures and weather conditions to replicate extreme changes in the climate and the long-term expected increase in temperatures faced here in the UK.

With Saint-Gobain and the University of Salford, we are working together to create a blueprint that will enable the industry to design and build the low carbon homes of the future that will not only be attractive to our customers, but also future proofed for climate change and less expensive to run through their dramatically improved energy efficiency.

Objectives

0–1 year: Develop the design of our new house type portfolio supporting the FHS and our growth in MMC.

Working with Government and the Future Homes Hub on realising the FHS.

1–3 years: Delivering our new house types encompassing changes in infrastructure connectivity, alternative building materials and new home technologies.

Further development of our MMC strategy, notably around further expansion of timber frame adoption across our housetype range.

3+ years: Further development of our zero carbon strategy for homes in use from 2030 and from our own operations in 2040.

Development of our embodied carbon strategy to drive emissions reduction through alternative building materials use and supply chain collaboration.

Zed House project

Energy House 2.0

Investing in our people

Male and female employees

PLC Directors

	2023	2022
Male	**63%**	67%
Total	**5**	6
Female	**38%**	33%
Total	**3**	3

Senior Managers

	2023	2022
Male	**82%**	83%
Total	**272**	271
Female	**18%**	17%
Total	**59**	57

Employees

	2023	2022
Male	**68%**	68%
Total	**4,345**	4,401
Female	**32%**	32%
Total	**2,044**	2,099

Executive Committee

	2023	2022
Male	**71%**	83%
Total	**5**	5
Female	**29%**	17%
Total	**2**	1

Reports to Executive Committee

	2023	2022
Male	**69%**	66%
Total	**27**	21
Female	**31%**	34%
Total	**12**	11

Our continued success is ultimately achieved through the hard work and dedication of our employees. We aim to attract and retain the best people by engaging with our employees, investing in their development to maximise their potential, supporting their wellbeing and recognising their commitment by ensuring our employee packages are effective and competitive. We are also committed to becoming more diverse and inclusive organisation, as we believe this will create a stronger, more dynamic business for our customers, and also make us a more attractive employer.

The volatility and uncertainty in the market in the last year necessitated a pause in Group-wide recruitment, other than recruitment for a small number of critical roles, since the end of the first quarter. Recognising the need to develop young talent, our graduate and apprenticeship programmes have continued, albeit at reduced intake levels.

This pause to recruitment has created opportunities to increase our attention on our existing employees, ensuring we are engaging and developing our employees to their full potential and that they feel recognised and valued.

Engaging with our employees and recognising their commitment

Our 2022 employee engagement survey was completed in October 2022. This year's survey delivered an engagement score of 84.4% (2021 survey: 79.4%). The improvement in the 2022 engagement score was welcomed and highlighted:

- The benefits of the Group's proactive policy changes in FY22 around the provision of private medical insurance for all employees, an additional day's holiday for all employees to celebrate a special day, and increased time for employee volunteering.
- The positive impact on our employees of the Group's decision to award a cost of living salary supplement of £1,000 to all employees below senior management for the period from 1 July 2022 through 31 December 2022.
- The introduction of enhanced family friendly policies including extended maternity, paternity and carer leave, effective from October 2022.

Following the 2022 engagement survey and reflecting our desire to positively respond and engage with our workforce, a number of new initiatives were introduced though the balance of FY23. These included:

- A Group-wide survey on health and safety seeking employee views on how we can further improve our safety, health and environmental performance with future targeted actions.
- A further cost of living salary supplement of £1,000 to all employees below senior management for the period 1 January 2023 through 30 June 2023.
- Tiered salary increases effective from 1 July 2023, designed to ensure our lower paid employees were cushioned from the withdrawal of the cost of living salary supplements, which drew to a close on 30 June 2023.

Our strategy continued

Investing in our people continued


ASPIRE


Degree Apprenticeships


Intermediate & Advanced Apprenticeships

Investing in the development and training of our employees

We continue to play a leading role to address the industry's skills shortage.

In total, we have developed, or are developing, 136 delegates through our Armed Forces transition programme. Skills developed in the Armed Forces transfer well to site management, and the programme has brought a large number of high-calibre individuals into our business.

Our ASPIRE graduate development programme takes between 15 and 30 graduates annually. The programme goes from strength to strength, attracting candidates from all degree backgrounds. ASPIRE is designed to provide a broad understanding of our business, coupled with both personal and professional development opportunities through a two-year programme, with the aim of creating leaders of the future.

During FY23, we completed recruitment for our fourth degree apprenticeship with Sheffield Hallam University, in real estate. Sitting alongside existing programmes in construction, quantity surveying and technical design and management this makes us the first housebuilder to deliver degree apprenticeships across the three main build functions and real estate.

Apprenticeships remain a vital route to develop skilled tradespeople for our industry

Our programmes for bricklaying and carpentry apprentices enable participants to achieve apprenticeship level within a shorter timeframe while maintaining the same high standards. Our schemes focus on bringing new talent to the industry and on retaining it for the future. To date, within the bricklaying and carpentry apprenticeship programmes, 374 apprentices (FY22: 256) have attended, and 147 apprentices (FY22: 102) are due to complete the course in FY24, with a further 54 (FY22: 160) recruited in FY23 for our FY24 intake.

We currently employ 483 apprentices, graduates and trainees (FY22: 391), around 7% (FY22: 6%) of our workforce, reflecting our ongoing commitment to developing future talent.

With respect to apprentice recruitment in the year, 13% (FY22: 29%) of our apprentices were recruited from the most deprived areas according to the Index for Multiple Deprivation.

We engage with our future workforce through our work with schools, national apprenticeship bodies, universities and Armed Forces resettlement organisations. This includes getting involved with campus activities, attendance at careers fairs and employer-led events. For a second year we also engaged with more than 1,200 schools and colleges to promote careers in construction and housebuilding and, in collaboration with the HBF, the School Outreach programme now engages with over 3,100 schools across the UK.

Retaining the best talent

It is vital for us to develop talent within our business to ensure we have the necessary skills for continued operational delivery and growth into the future.

As part of our response to engagement survey feedback and the pause in recruitment, we are working to improve the visibility of career paths in all functions, with individual development plans, line manager development and the proactive prioritising and tracking of internal promotions. Remuneration and benefits are an important element of employee retention. We continue to review our employee packages to ensure they are effective and competitive.

Identifying and supporting our leaders of the future, along with effective succession planning, are important elements in our long-term success. In FY23, 344 (FY22: 269) high-potential employees have attended or are attending our "Rising Stars" programme.

Our Construction and Sales Academy programmes develop talent within our business and we continue to work with the Home Building Skills Partnership around employee training, learning and development. We also seek to address skills shortages and prepare for the future by developing our people through access to continuous learning. Our MyLearning mobile app provides colleagues with flexibility and choice in how they access and consume learning content.

Growing our employee networks

Our employee networks have also become an increasingly important way for us to create a more open and inclusive business, and enable us to listen directly to the needs of our people. Our networks include our gender network to support female colleagues and groups which connect parents, LGBTQ+ colleagues and allies, ethnic minority communities and "Barratt Connect", a group for anyone who has felt isolated or misses the social interaction created by reduced office-based working. We are delighted to have launched "Scaffold", a new network set up to raise awareness of disability in the workplace, influence policy decisions and connect disabled people and their allies across all divisions and functions.


Gender and Ethnicity Pay Gap Report

Real Living Wage accreditation

During the year, we maintained our Living Wage Foundation accreditation, reflecting the Group's commitment to paying our employees and supply chain employees an independently calculated rate of pay, based on the actual cost of living. The real Living Wage exceeds the national Living Wage (set by the Government) and covers all employees aged 18+, as well as incorporating a London weighting. Holding this accreditation demonstrates our clear and continuing commitment to our employees, suppliers and sub-contractors.

Our standard sub-contractor terms and conditions also mandate the payment of the real Living Wage within our supply chain. To support this, we implement spot checks by divisions on higher risk trades and operate internal remediation feedback systems. Where we find instances of non-compliance, we require this to be rectified, with follow-up audits conducted to ensure full compliance. For those working in jurisdictions other than the UK, our expectation, included within our contract requirements, is that local statutory minimum wages are paid.

Gender and ethnicity pay gap reporting

In December 2022, we published our annual Gender Pay Gap Report and, for the first time, we also included our Ethnicity Pay Gap Report, as part of our commitment to transparency and to enhance our work through our Diversity & Inclusion Strategy to improve the representation of all groups across the business.

Our mean gender pay gap increased from 6.2% to 8.8%, and the median pay gap increased from (0.4%) to 6.3%. Although our mean gender pay gap is smaller than the average for UK businesses in 2022 at 13.9%, we remain committed to further action in this area and delivering against our 2025 Diversity & Inclusion Strategy.

Our mean ethnicity pay gap reduced from 11.0% to 7.7%, and the median ethnicity pay gap reduced from 7.1% to 5.9%.

In order to deliver change in both of these areas, we will continue to build on the work already in place to support our teams through talent programmes, employee networks, succession planning and early careers. We will continue to work to close our gender and ethnicity pay gaps and ensure that we build an open and inclusive working environment.

Expanding employee participation in share ownership for our business

In April 2023, we invited all eligible employees to participate in the 15th grant under the Group's Sharesave scheme, which allows eligible employees to contribute a maximum of £500 per month in one or more Sharesave schemes. As at 30 June 2023, 51.4% of our employees participated in one or more of the active schemes, compared to 51.2% as at 30 June 2022.

In recognition of the continued dedication, commitment and loyalty of our employees, in FY23 the Board agreed that an annual share award would be made to all employees below Managing Director level. Accordingly, in July 2023, an award of shares equating to £1,250 (July 2022: £1,250) was made to all qualifying employees. This award will vest in July 2025.

Reflecting the challenges faced by our industry as well as our recruitment freeze implemented at the end of September 2022, our total Group employee turnover reduced to 15% for the year to 30 June 2023 (FY22: 17%). Our target over the medium term remains at 15%.

Our strategy continued

Investing in our people continued

Promoting both physical and mental wellbeing of employees

A key objective for the Group during FY23 has remained the physical, mental and financial health and wellbeing of our employees. During the year, we continued to progress our health and wellbeing programmes, including the development of a health and wellbeing strategy. We have continued to deliver "manage the conversation" training to our manager population, grow our network of mental health first aiders and enhance, through additional investment, the support available to our mental health first aiders.

We have continued to strive to reduce stigma and encourage openness around mental health across our employee and sub-contractor population, with suicide awareness training made available to all employees and promoted to both our employees and well as our sub-contractors and allied trades. Continuing this theme, in June, in conjunction with the Barratt Foundation, we launched a collaboration with the Lighthouse Club Construction Industry Charity, which has seen a series of site tours being supported by the charity bringing wellbeing advice, help and support to our site-based teams and sub-contractors.

In order to support the financial wellbeing of our people, we have extended our partnership with our benefits providers to offer access to enhanced financial wellbeing support through innovative platforms and webinars. We continue to support our people's physical health through investment in private medical support and annual health assessments, which are made available to all employees.

Anti-bribery and corruption policy

Diversity and inclusion

We aim to create a working environment that provides equal opportunities for all and we are a signatory to the Business in the Community Race at Work Charter.

Selection for employment and promotion within Barratt is based on merit, following an objective assessment of ability and experience, and after giving full and fair consideration to all applicants. We are also committed to ensuring that our workplaces are free from discrimination and that everyone is treated with dignity and respect. We strive to ensure that our policies and practices provide equal opportunities in respect of training, career development and promotion for existing and potential employees, at all levels throughout the business, irrespective of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race and ethnicity, nationality, religion or belief, sex, and sexual orientation. We also remain signatories to the Social Mobility Pledge, committing us to providing opportunities to people from all different backgrounds.

A detailed review of our employee representation across all protected characteristics, by both function and level within the organisation, was completed during the year. This identified both our strengths and where there are clear opportunities to improve and a new three-year strategy has been put in place to drive measurable improvement through to FY25 and ensure everyone who works within the Group feels they belong and are comfortable to be themselves.

Gender diversity

Improving our gender diversity has been recognised as an initial priority with a support programme, a particular focus on graduate recruitment and early career intake and through carefully considered succession planning.

To drive improvement the Group:

- Is now measuring gender representation in each function and level within the Group on a quarterly tracking basis;
- Has refreshed our recruitment processes, to ensure have balanced and diverse shortlists; and
- Has increased the female cohort on our Accelerated Leadership Programme, which is designed to identify our future Managing Directors.

Catalyst, our existing development and support programme, designed to help high-potential female employees develop their careers within the Group, is a key part of our gender diversity strategy. This programme is showing positive results with 48% of participants being either promoted or having their roles extended.

As well as Catalyst, we also worked with the Home Builders Federation and Women in Construction during the year to launch a nationwide employment programme for women, helping to address the gender imbalance in the construction workforce, which currently sees just 16% female representation.

As at 30 June 2023, women held 18% (FY22: 17%) of senior manager roles within the Group.

The gender diversity statistics for our employees as a whole, our senior managers, the direct reports to the Executive Committee, Executive Committee and PLC Directors are shown on page 35. Further information regarding the diversity (including ethnicity of our PLC directors and Executive Committee members can be found in the Nomination report on page 120.

Ethnic diversity

Increasing the ethnic diversity of our organisation is also a clear target over the coming years. In October 2022 we launched our ethnic minority community support programme, "Spotlight". This is an eight-month externally facilitated programme, which includes feedback from the participants on actions needed, as well as a Group-wide EMC employee network. We were also delighted to have been part of the 30% Club's "Leaders for Race Equity" inaugural programme, alongside nine other organisations seeking to share best practice and establish tangible actions for change.

As at 30 June 2023, 7% (FY22: 7%) of employees were from ethnic minority backgrounds and 3.0% (FY22: 2.1%) of senior leadership positions were held by ethnic minority employees.

Disability

Every effort is also being made to retain and support employees who become disabled during their time working within the Group and we continue to remove physical barriers for disabled colleagues or applicants. Our "Scaffold" network, detailed earlier, is an important forum to ensure we understand the issues faced and are supporting our disabled employees.

Human rights and anti-bribery

Our respect for human rights is embedded within our strategic priorities. We have policies and procedures in place that support the core values of the UN Universal Declaration of Human Rights and the UN Guiding Principles of Business and Human Rights, and we act in accordance with our principles regarding diversity and the Modern Slavery Act 2015. Concerns can also be raised anonymously via our whistleblowing process.

We are currently undertaking a thorough review of our approach with the aim of developing a more consistent, leading practice approach to managing material human rights risk across our value chain. In line with this, this year, we conducted an assessment to identify our most salient risks and key opportunities, and have also put in place measures to build on our existing due diligence systems. These have included:

- Updating signposting on our sites to encourage potential victims of modern slavery to seek help and, recognising that language barriers that may exist, our signposting has included QR coding for multiple languages.
- Recognising that the transition to net zero has the potential to increase human rights risks, particularly in relation to new technologies and new suppliers operating outside of our traditional supplier base and in more distant and less regulated markets. In one particular product area, photovoltaic panels, we are co-sponsoring the development of a procurement guide for responsible sourcing addressing the sourcing of materials and labour and the supply chain.

Our non-financial KPIs regarding health and safety and employee engagement reflect our belief that it is a fundamental human right to work in a safe and supportive environment. Employees undertake training on modern slavery and site managers are given additional training in helping identify risks around modern slavery.

We have a strict anti-bribery and corruption policy and conduct our business in a fair, open and transparent manner. All employees are required to undertake regular training on our anti-bribery and corruption policy.

We also work closely with our partners to ensure our standards are applied to our extended workforce. We are signatories to the Gangmaster and Labour Abuse Authority Construction Protocol, helping us to share and receive information and training materials to identify and prevent modern slavery. It is a condition of all our supplier and sub-contractor contracts that they comply with the Bribery Act and our anti-bribery and corruption policy.

Objectives

0–1 year: Increase leadership capability in key people management skills, developing inclusive leadership. Focused people planning including diverse hiring.

1–3 years: Embed the Company's new purpose and values and employee value proposition across all areas of the employee experience.

3+ years: Enhance the employee experience through technology.

David Thomas
Chief Executive

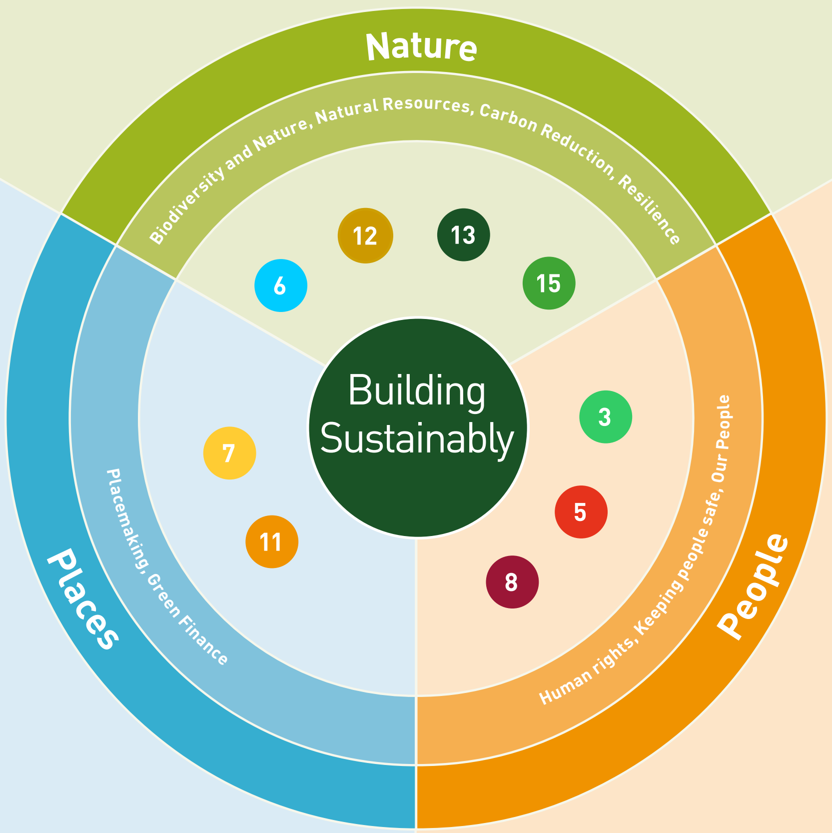
Leading sustainability

We are determined to be the leading national sustainable housebuilder. We believe that fundamental to building quality homes is building a positive environmental, social and economic legacy for future generations. To us, that means putting our customers at the heart of everything we do to create great homes and great places that are designed and built for better living and to meet the challenges of the future.

Building Sustainably Framework

We preserve and enhance the natural world by using resources responsibly, building resilient, low-carbon homes, and by creating places where people and nature can thrive.

See page 44



We design and build great places that meet the highest standards, and that promote sustainable, healthy and happy living for our customers.

See page 45

We believe everyone has the right to be respected and treated fairly at work. We do the right thing, nurturing diverse talent and prioritising the health and safety and wellbeing of our people and partners.

See page 45

Link to the SDGs

- 3 Good health and wellbeing
- 5 Gender equality
- 6 Clean water and sanitisation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 15 Life on land

Our Building Sustainably Framework

The last year has been one of extraordinary economic, social and environmental shifts, and this is expected to continue. Global conflicts amplified what was an emerging energy and cost of living crisis. This has had consequences across our entire value chain – from the sourcing of raw materials through to consumer sentiment. Political upheavals in the UK have also challenged the ability of business to respond and adapt. Against this, a backdrop of increasingly urgent warnings about climate change and nature depletion.

At Barratt, our response to this is simple, yet focused. We are responding to the most urgent issues by ensuring we are driving the delivery of our Building Sustainably Framework, in line with our targets and commitments. We view the progress on our environmental and social ambitions as essential to future proofing our business in the long term. The framework is built around three pillars: Nature, Places and People. These cover the material issues for our business and are informed by industry understanding, as well as the opinions and challenges offered by our stakeholders.

This focus is reflected in all that we have achieved. We are building resilient, low-impact homes that will make our customers and our country future-ready. We are creating places where people, nature and local economies thrive together, whilst also addressing the skills gap and supporting under-represented and disadvantaged groups. We are unlocking affordability for more people and rewarding customers who make sustainable choices.

At a global level, our framework aligns with nine of the UN's 2030 Sustainable Development Goals (UN SDGs), which are detailed within the framework wheel. We became a signatory to the UN Global Compact in July 2021, a voluntary initiative based on CEO commitments to implement universal sustainability principles, and to take steps to support UN goals. Our Communication On Progress qualifies for the Global Compact Advanced level. Nationally, our framework aligns with the UK Government's 2050 net zero greenhouse gas emissions commitment and its 2025 Future Homes Standard.

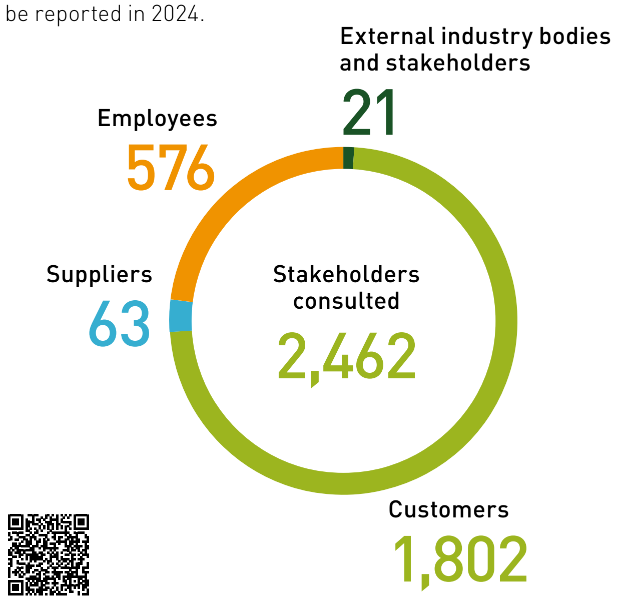
Leading sustainability

Creating value

It is crucial that, through our sustainability activities, we realise these benefits for all stakeholders. This means ensuring our sustainability programmes address societal challenges, drive greater financial productivity, and aid effective management of climate and socio-political risks and opportunities. Within each area of our framework, we seek to innovate, create genuine impact and support long-term value creation.

What matters most?

Our Building Sustainably Framework has been created as a "living blueprint", one that will evolve according to emerging sustainability risks and opportunities. This is why, periodically, we undertake a materiality review to understand which sustainability issues matter most to our stakeholders. Using the Future Fit Business Benchmark as a guiding framework, we have completed an extensive engagement programme of interviews and surveys. The next stage is to examine the findings, identify the issues that matter the most, and use these to advance our strategy, using an approach that considers business needs and potential for social and environmental value creation. These will be reported in 2024.



Creating value

What do our customers think?

We are well positioned as the industry leader to inform and educate those in the market to buy a home. Sustainability forms part of our annual customer research and insight programme, which has allowed for over 25,500 interactions, reaching over 2,700 of our customers and an additional 22,600 UK residents in the past three years. This further helps us understand their attitudes towards sustainability in the home and sustainable lifestyles.

There is a clear appetite and expectation for sustainable homes. The majority of customers care about the environment and want to reduce their carbon emissions, and place value on homes that provide lower running costs.

63%
Say the **cost of living and affordable energy is one of the top 3 issues facing the UK at this time***

62%
Say **net zero commitments are an important factor when choosing a housebuilder****

80%
State **"sense of community" is very or quite important when purchasing a home*****

* Online survey of 780 recent purchasers or those in market to buy in the next two years, April 2023.
** Online survey of 1,800 BDW customers, recent purchasers, or those in market to buy in the next two years and those in market, April 2023.
*** Online survey of 2,000 BDW recent purchasers, or those in market to buy in the next two years and those in market, April 2023.

Building sustainably continued

How we manage sustainability

An established and robust governance structure underpins the framework. We have a clear process – from identifying our most material issues to the operational delivery of action plans – across each of the framework pillars and their corresponding priorities. This allows us to create supporting work streams, which drive our implementation plans and create clear accountability around each issue. The Board delegates day-to-day delivery of our framework to the Executive Committee, which is supported by operational cross-business working groups. Regular monitoring of targets enables us to continually identify and re-prioritise areas for improvement.

This year, we improved our internal reporting mechanisms – in particular enabling divisional management teams to benchmark and monitor carbon and energy performance to a site level to put performance improvements in place where they are most needed. We will include new management metrics in FY24. See page 91 for further detail on our transition pathway.

Our governance framework

Board

Group Board
Chief Executive accountable for sustainability

Scrutiny, oversight and approval of sustainability strategy

- Nomination Committee
- Audit Committee
- Sustainability Committee
- SHE Committee
- Remuneration Committee

Executive

- Risk Committee
- Land Committee
- SHE Operations Committee

Management Working Groups

- Biodiversity Net Gain
- Sustainable Homes
- Stakeholder Engagement
- Sustainable Operations
- Sustainability and People
- ESG Data and Controls
- Waste

Sustainability Committee

Our Sustainability Committee, chaired by our CEO, debates, reviews and scrutinises the sustainability strategy and implementation plan, and approves plans to mitigate risks and leverage opportunities. At least one member of the Committee must have sustainable development-related skills.

External experts are also invited to sessions to share deeper insights on specific topics. This year external experts provided input on the subject of environmental economics, the potential impact of carbon pricing and the transition to net zero in hard to abate sectors.

The Committee's full terms of reference can be found here: https://www.barrattdevelopments.co.uk/investors/corporate-governance

In this financial year, the Committee reviewed and approved updated sustainability policies, and agreed the outcomes of a Human Rights saliency assessment.

Furthermore, progress against our strategy and objectives around waste, carbon, biodiversity and water were reviewed, with focus areas and future opportunities identified.

Climate related issues are a standard agenda item at meetings – this year, the Committee reviewed our net zero transition pathway, international approaches to decarbonisation, carbon pricing and embodied carbon assessments. See page 91 for further detail.

The Committee also reviewed future reporting requirements, including likely nature related requirements. It provided input into the approach for the measurement and monitoring of biodiversity net gain and offsetting requirements and also considered requirements for nature positive business.

Meeting attendance

There were three meetings held during the year ended 30 June 2023. The table below shows the attendance of each member of the Committee.

Attended / Did not attend

David Thomas[1]	Attended	Attended	Did not attend
Steven Boyes	Attended	Attended	Attended
Katie Bickerstaffe	Attended	Attended	Attended
Jasi Halai[2]			Attended
Jock Lennox	Attended	Attended	Attended
Tina Bains	Attended	Attended	Attended
Bukky Bird	Attended	Attended	Attended
Jeremy Hipkiss	Attended	Attended	Attended

1 David Thomas did not attend the March meeting due to a previous commitment. Prior to the meeting, David provided his views on the meeting agenda which were shared with the other Committee members during the meeting. Following the meeting, he was briefed on the business of the meeting and any decisions taken.

2 Jasi Halai was appointed on 1 January 2023.

Our performance

Performance is monitored throughout the year and reported to the Sustainability Committee biannually, and to the Board annually. Performance against our sustainability metrics is set out on page 48 and https://www.barrattdevelopments.co.uk/building-sustainably. To drive progress against our priorities, we have included a carbon reduction target in our LTPP since 2021 and a waste intensity target in our annual bonus scheme since 2022. New bonus-related incentives at a divisional level have been introduced to encourage the reduction of waste across the business.

CDP A LIST 2022 CLIMATE

Joined CDP's Climate Change A List for Leadership, one of just 300 companies worldwide. The top-rated UK housebuilder and in the top 23% of global construction companies.

Climate: A

Water: B

Forests: B

SUSTAINALYTICS

Included in top-rated ESG Companies List.

Listed as an ESG Regional (Europe) top-rated company, and an ESG Industry (Homebuilders).

Top-rated company (second out of 86 global homebuilding companies).

ISS

1st out of 232 in the global construction industry.

NEXT GENERATION GOLD 2022 · NEXT GENERATION CRYSTAL 2022 · NEXT GENERATION INNOVATION 2022

Leading national housebuilder.

Gold Award for seventh consecutive year Crystal award for Transparency for the third time.

Innovation Award for the Zed House.

UN Global Compact – United Nations Global Compact

Advanced.

We are the only UK company in the "Household Goods and Home Construction" sector to achieve this (and only achieved by around c.10% of all participating companies worldwide).

Collaboration

We can't achieve all that we do in isolation and we acknowledge the opportunity to be a catalyst for change across the sector, as well as develop shared solutions to shared challenges. We take an active role in a number of industry groups and engage with government bodies to implement policies and action for a sustainable future. See page 54 for further detail.

Transparency

Transparency underpins our Building Sustainably Framework. Our disclosures are critical for providing insight into and challenging our progress on meaningful industry-wide improvement around sustainability. We are committed to continuously enhancing our disclosure to meet evolving stakeholder needs. This means that as well as celebrating success, we share where we fall short of our own expectations, and flag areas for improvement. As a result, all information on our strategy, targets, and performance is publicly available through our website and other publications.

By completing the most material benchmarks and indices throughout the year, we allow our stakeholders to track our progress consistently, and to assess our performance in accordance with global and national standards.

Our performance

Building sustainably continued

Sustainability highlights

Nature

Advancing modern methods of construction

Modern Methods of Construction (MMC) creates opportunities to build with greater speed and efficiency, mitigate the impact of the skills shortage facing the industry, reduce on-site waste, reduce embodied carbon and diversify the types of materials we use.

32%
homes built using MMC

See page 33

Enhanced timber sourcing transparency

We are committed to purchasing all timber and timber products from well-managed forestry sources, and have enhanced our timber survey to improve visibility of sustainability risks.

99.8%
certified sustainable

See page 48

Supplier emissions data visibility

Collaboration with our suppliers and sector-wide groups is a critical part of delivering on our decarbonisation plan. We engaged our top suppliers and subcontractors (representing 20% of our supply chain emissions) to understand with more accuracy how much carbon is emitted by our supply chain.

22
of our top suppliers and subcontractors engaged on their carbon plans

See page 94

Zero carbon home collaborative research

We launched eHome2, our sector-leading research collaboration to enable us to test a range of technologies and build techniques within climate controlled extremes. This is a key element of our roadmap to zero carbon homes, and decarbonising our value chain.

Over
40
partners collaborating on eHome2

See page 34

Alternative fuels powering our transition

Hydrotreated vegetable oil (HVO) is a critical transition fuel, whilst we await innovation in electric site plant. We have invested significantly in responsibly sourced HVO to reduce site-based emissions associated with diesel, which account for 65% of our footprint.

2,791
tonnes of carbon abated

See page 94

Reduced waste intensity significantly

We continue to promote the segregation of waste and the efficient use of skips across our sites supported by bonus arrangements to incentivise performance.

14,000
tonnes less waste generated in 2023

See page 17

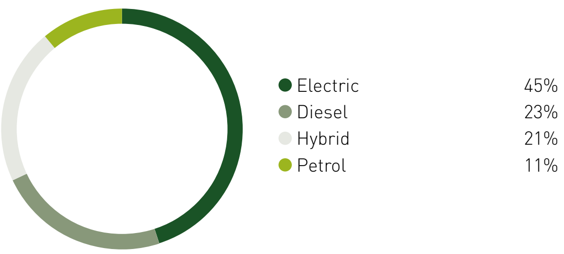
Fleet electrification

The uptake of electric company cars has been faster than forecast, enabling us to move our target for fleet decarbonisation forward from 2030 to 2028.

66%
of company car fleet are electric or hybrid

See page 91

Fleet composition



Places

Achieving biodiversity net gains

We have embedded a comprehensive operational framework to deliver this change including training, calculation tools, automated data collection and a network of divisional representatives championing it. In achieving this, we drive progress towards creating great places where people and nature can thrive.

100%
sites submitted for full or outline planning with 10% minimum BNG since January 2023, excluding joint ventures

See page 32

Greenspace focus in placemaking

We have integrated greenspace awards into our Great Places design principles.

96
of our schemes achieve Built for Life accreditation.

4
of our developments were awarded Building for a Healthy Life Commendations.

See page 32

Championing green mortgages

We have played an instrumental role in encouraging mortgage lenders to develop affordability calculations which incentivise homeowners to invest in energy efficient homes.

Leeds Building Society offers

Up to **10%**
uplift in lending for an energy efficient new home.

See page 61

People

Refreshed diversity and inclusion targets

A detailed review of our employee representation across all protected characteristics, by both function and level within the organisation, was completed during the year.

31%
female appointments

7%
of employees from ethnic minorities

See page 39

13%
of our apprentices were recruited from the most deprived areas according to the Index for Multiple Deprivation

Our commitment to developing future talent continues recognising the industry's skills shortages and we promote opportunities to people from all different backgrounds.

7.2%
workforce in a graduate, apprenticeship or trainee role

Leading the industry

Carbon and energy efficiency dashboard launched

Improving visibility of key sustainability performance data across our divisions and regions is critical to delivery of our framework ambitions.

See page 98

Leading sector-wide sustainable change

We have taken a leadership role to ensure the whole sector can deliver sustainable outcomes, industry initiatives and policy development.

1st
Our CEO, David Thomas has been appointed as the first chair of the Future Homes Hub

See page 64

Leading in sustainability benchmarks and indices

Our performance in benchmarks and indices has been strong, retaining either a global or national leadership position.

One of fewer than
300
companies globally to be CDP Climate Change "A List" for Leadership

See page 63

Leading on the customer voice

We continue to gather extensive insights from customers and those in market on sustainability topics including: Future Homes Standard technologies, appetite for energy efficient homes, green mortgages, nature and greenspace, water, placemaking, and the materiality of sustainability issues.

70%
see cheaper household bills as a benefit of living in a low carbon home^

See page 31

Linking performance to a sustainability-linked facility

Our existing revolving credit facility has been amended to a sustainability-linked facility which includes sustainability linked performance measures.

£700m
Sustainability-linked facility

See page 61

^ Online survey of 1,300 of recent purchasers or those who intend to buy in next three years, May 2022.

Building sustainable homes for the future

With 40% of the UK's carbon emissions coming from households, the residential sector has a critical role to play in meeting the nation's climate goals. New build homes are already demonstrating their worth with 84% in England rated with an EPC of A or B compared to only 4% of existing housing stock.[1]

Zero carbon ready homes require fundamentally rethinking the design as well as the way we build. Solutions must meet the challenge practically, and the risks associated with innovating quickly and at scale across the country must be managed. Barratt has a clear roadmap to zero carbon in the homes we build, working with our supply chain and partners, to ensure we deliver high quality, sustainable homes that our customers love.

Our "fabric-first" approach means making sure the building envelope maximises its insulation performance and is as airtight as possible whilst maintaining good indoor air quality which saves carbon an energy without the need for upgrading technology. Focusing efforts on the comparatively long-lived building fabric helps to "future proof" homes meaning they will be less likely to require difficult and expensive refurbishment upgrades at a later date.

Our roadmap is phased and we are currently trialling new technologies as part of our ongoing research and development programmes – more recently through eHome2 and the Zed House – to help refine our design and technology decisions. See page 34 for further detail. We have begun to incorporate some "zero carbon ready" technologies, for example at Delamere Park, our first gas-free development.

1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1050357/EPB_Cert_Statistics_Release_-_Q4_2021.pdf

Designing for nature

Most of our homes have their own private gardens. We have worked with the RSPB to maximise the potential of the gardens we create by installing gardens into our show homes that are packed with features such as "hedgehog highways", wildlife-friendly planting and bee and bug houses to inspire our customers to recreate these in their own homes.

Materials

The majority of carbon emissions released during the lifecycle of a home occur before construction phase through materials, including extraction, manufacturing and transport. We are the only major housebuilder to sign up to support the proposed Building Regulations for limiting embodied carbon ("Part Z"). See our transition pathway on page 91 for further detail on our roadmap to net zero across the value chain.

Adaptive homes

We want to ensure the home can be more agile to the customer's needs over time. Our homes are incorporating smart technology that simplifies how customers interact with them in order to live comfortably and save money. In addition we are trialling technology to support an ageing population – see page 34.

Strategic Report G F

31%
carbon reduction

Building regulations 2021

Current build

Our homes are designed to achieve a 31% carbon reduction* in line with the update to Part L of the Building Regulations (2022). We are achieving this through:

- Enhanced fabric efficiency in walls, floors, roofs and windows
- Reduce airtightness from 5 to 4
- Photovoltaics
- Efficient gas boilers
- Waste Water Heat Recovery
- Flue Gas Heat Recovery integrated in combination boilers
- Smart cylinders
- Introduction of decentralised mechanical extract ventilation
- Larger radiator and pipes to future proof for low carbon heating such as air source heat pumps
- Electric vehicle charging points

* When compared to 2013 standards.

75-80%
carbon reduction

Future homes standard

FHS 2025

"Zero carbon ready". We are now taking steps to prepare for the introduction of the Government's full Future Homes Standard in 2025 which will enhance the specification of our homes further, to achieve a 75-80% carbon reduction against current regulations. Further features should include:

- Enhanced fabric efficiency in external walls and enhanced double glazing
- Air source heat pumps
- Underfloor heating
- Hot water cylinder in every home
- Smart technology
- Further reduced airtightness from 4 to 3
- Mechanical ventilation with heat recovery
- Electric vehicle charging point in every home

Zero
carbon

Beyond Future homes standard

Net zero and beyond 2030+

All new housetypes to be zero carbon (regulated energy) in use. Features being considered include:

- Batteries
- Smart energy tariffs
- Vehicle to home energy storage
- Smarter homes through automation solutions

Building sustainably continued

Sustainability goals

Nature

Biodiversity and nature

Target
Demonstrate a minimum biodiversity net gain (BNG) of 10% across all development designs submitted for planning from 2023.

FY23 performance
100%
of sites delivering an average BNG of 36% for area habitats, 76% for hedgerow habitats and 13% for river habitats.*

* Excluding joint ventures

See page 32

Waste and circular economy

Target
Reduce construction waste intensity by 20% by 2025 vs.2015.

FY23 performance
39%

See page 17

Target
Maintain 95% diversion of construction waste from landfill annually.

FY23 performance
96%

Deforestation

Target
100% of timber certified for net zero deforestation annually (for all timber procured via Group agreements, BD Living, Oregon and sub-contractor fencing).

FY23 performance
99.8%

Modern Methods of Construction (MMC)

Target
Use offsite based products and systems in 30% of homes by 2025.

FY23 performance
32%

See page 33

Carbon reduction

Target
Reduce absolute scope 1 & 2 (operational) carbon emissions by 29% by 2025 (from 2018 levels) and to net zero by 2040.

FY23 performance
23.7%

See page 16

Target
Reduce scope 3 (indirect) emissions intensity by 24% by 2030 (from 2018 levels).

FY23 performance
242.13
$tCO_2e/100m^2$

See page 97

Zero carbon homes

Target
All new housetypes to be zero carbon from 2030 (regulated energy).

See page 47

Renewable energy

Target
Ensure 100% of own electricity is on renewable tariffs by 2025.

FY23 performance
87%

See page 91

Sustainable travel

Target
100% of company car fleet free of diesel and petrol cars by 2030.

FY23 performance
66%
of fleet are electric vehicles or hybrid

See page 91

Performance versus target

- On track
- Achieved
- Monitor
- Below target
- Target not met

Places

Great Places

Target
All completed developments designed to achieve our minimum Great Places standard on an annual basis.

FY23 performance
90%

People

Development

Target
Maintain an average of four training days per employee per year.

FY23 performance
4
Achieved

Attraction

Target
Maintain 7% of workforce in a graduate, apprenticeship or trainee role.

FY23 performance
7.2%
Achieved

Target
Increase in apprenticeships with a minimum of one lower socioeconomic background indicator*.

New target

Employee engagement

Target
Exceed 75th percentile score in the engagement survey.

FY23 performance
84.4%
Achieved

People

Reward and benefits

Target
Gender & Ethnicity pay gap reporting.

FY23 performance

Gender:	Ethnicity:
Mean 8.8%	Mean 7.7%
Median 6.3%	Median 5.9%

Diversity and inclusion

Target
35% of all employees to be female by the end of FY26 vs. FY23.

FY23 performance
31%
of all employees are female

Target
Overall 10% increase in ethnic minority employees by the end of FY26 vs. FY23.

FY23 performance
7%
of all employees are from ethnic minorities

* Target to be finalised in FY24.

Section 172 statement

The Board recognises the importance of working and engaging with a number of key stakeholders in order to promote the long-term success of our business. Such engagement helps us to gain a better understanding of what areas our stakeholders are interested in or concerned about and how our decisions impact them. Healthy engagement with our stakeholders underpins our governance framework, which is embedded throughout our business and helps to ensure we maintain high standards of business conduct. Engagement with our stakeholders supports the Board's regard to the likely consequences of any decision in the long term. In accordance with the requirements of the Companies Act 2006, the following pages set out how the Board acts in a way that promotes the long-term success of the Company, whilst considering various matters including those set out in s.172(1) of the Act:

Key matter of which the Board must have regard

Key matter of which the Board must have regard	How the Board takes each of the matters into consideration
The likely consequences of any decision in the long term	Our business is cyclical in nature and it is therefore imperative that the Board takes a long-term approach to its decision making. This supports our ability to deliver our purpose and strategic priorities and create long-term sustainable value for our stakeholders. It also helps prepare the business for changes in Government and regulatory policies that impact our industry. For example, the introduction of the Future Homes Standard that becomes mandatory in 2025, will require all of our homes to produce 75-80% less carbon emissions than they do now. To meet these types of requirements within the prescribed timescales we have to act now, details of which can be found on page 47. In addition, the Board regularly assesses emerging risks that may impact the business and the way in which it operates in the future. It also reviews its Principal Risks annually to ensure that they remain appropriate and that the correct internal controls and mitigations are in place. For more information on our approach to risk management see pages 71 to 77. Our approach towards climate-related risks and opportunities can be found on pages 78 to 98. Taking a longer-term view helps the Board to assess the viability of the business over a three-year period on an annual basis. Our Viability Statement can be found on page 99.
The interests of the Group's employees	Details of how we have regard to each of these and our engagement with them can be found on pages 35 to 39 and 55 to 56.
The need to foster the Group's business relationships with suppliers, customers and others	Details of how we have regard to each of these and our engagement with them can be found on pages 54, 55 and 59 to 61.
The impact of the Group's operations on the community and the environment	Details of how we have regard to each of these and our engagement with them can be found on pages 62 to 63.
The desirability of the Group maintaining a reputation for high standards of business conduct	The Board sets the culture of the business from the top. This culture seeks to promote the right behaviours throughout the organisation in line with our values. In addition, all employees are required to understand all policies and procedures including those that look to ensure high standards of conduct. These include our policies and procedures around Health, Safety and Environment; Whistleblowing; Anti-Bribery and Corruption; Human Rights; and Modern Slavery. All of our employees participate in training sessions around diversity and inclusion and dignity and respect to better understand the behaviours that are acceptable and those that are not. We have reviewed our purpose and values during the year to further promote high standards of business conduct. The new purpose and values will be launched internally later this year and will be reported on in next year's Annual Report and Accounts. For further information on our culture and values see page 112. Copies of our conduct policies can be found on our website at www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/policies.
The need to act fairly as between members of the Company	The Board is cognisant of the need to act fairly between members of the Company. Regular engagement with shareholders takes place throughout the financial year to understand their views and act in their best interests. Details can be found on pages 57 to 58. All shareholders have equal voting rights with one vote per share. We ensure that information is shared to all of our shareholders at the same time via a variety of communication channels such as our dedicated investor section on our website, postal mailings, emails and RNS announcements. In addition, all shareholders are invited to attend the Company's AGM, either physically or virtually, where they can meet with Board members and ask questions. For those shareholders who are unable to attend the AGM, we have set up a dedicated shareholder email address barrattagm@barrattplc.co.uk for them to submit their questions ahead of the meeting. These are answered via a Q&A document that is added to our website after the meeting.

The Board considers each of these factors, amongst others, when setting and implementing our strategy. In addition, as part of its decision making process it considers the current and emerging risks (both financial and non-financial) and the impact that they may have on the long-term success of the Company and the Group's Principal Risks. The Company's approach to Risk Management can be found on pages 71 to 77, with climate-related risks and opportunities set out on pages 78 to 98.

Our stakeholders

The following pages set out the engagement that has taken place with the following key stakeholders:

- Customers (see page 54)
- Employees (see page 55)
- Shareholders (see page 57)
- Sub-contractors and supply chain (see page 59)
- Banks (see page 61)
- Local communities and the environment (see page 62)
- Government, opposition parties and regulators (see page 64)

The Board has identified each of these as a key stakeholder due to their influence on the success of our business model and our strategy and because they represent the key resources and relationships that support the generation and preservation of value in the Group. Each financial year, the Board reviews the stakeholders that it considers to be key to ensure that they remain appropriate and to ensure that they have a good understanding of their interests and how these may have evolved. The Board also looks to identify any new stakeholders whose interests may impact the long-term success of the Company and therefore need to be taken into account as part of the decision making process. For each key stakeholder we have set out:

- Why we engage;
- How we engage;
- Metrics – how we measure effectiveness;
- Interests and concerns;
- Outcomes of engagement; and
- The impact on Board decisions.

How the Board makes decisions

Throughout the year, the Board remained mindful of the implications that its decisions may have on our stakeholders and the potential reputational risk for the Group. This has highlighted the continual need for regular, clear and comprehensive engagement with our workforce, suppliers, shareholders and customers throughout various decision making processes to ensure that we continue to do the right thing and mitigate against matters that may potentially harm the reputation of the Group. Regular updates on the engagement undertaken and the outcomes are provided to the Board by the Executive Directors and there is an annual agenda that includes deep dive discussions on topics such as Diversity and Inclusion, ESG, Customers, and Investor Relations. Whenever possible, the Board (or members of the Board) will engage directly with our stakeholder groups. For example, the Chair of the Remuneration Committee annually engages with shareholders on Executive Directors' remuneration in person, via video calls or through written correspondence. Feedback from this engagement is discussed by the Remuneration Committee. Any decisions or changes made as a result, are communicated to shareholders via this Annual Report and Accounts for them to vote on at the AGM (details of this year's engagement and outcomes can be found on page 57). In addition, the Designated NED for Workforce Engagement will report back to the Board the topics discussed and issues raised at the Workforce Forum meetings and how these are going to be addressed. Actions taken as a result of these discussions are communicated back to the Workforce Forum and via the Group's intranet in the form of a "You said, we did" notification.

The Board appreciates that there may be situations where conflicts will arise between different stakeholder groups. In such circumstances, the Board will seek to understand the needs and priorities of each stakeholder group during its discussions and as part of its decision making process. It manages such conflicts by assessing shareholder and stakeholder interests from the perspective of the long-term sustainable success of the business, as is illustrated in the significant decisions examples set out on pages 52 to 53. Such actions and decisions by the Board also seek to align with the Group's culture of customer focus, resilience and adaptability. In addition, the Board ensures that our culture encourages our wider workforce to take pride in what we do, and to do the right thing when in contact with customers, members of the local communities in which we operate, and other stakeholders.

Significant decisions

The main activities and decisions of the Board are set out on page 111. The following are just a couple of examples of significant decisions made by the Board, how they were made and, where applicable, how conflicts between different stakeholders were managed. Other significant decisions made by the Board are set out in the main activities section on page 111.

Section 172 continued

New purpose and values

At its meeting in March 2023, the Board considered a new purpose and values for the Group together with a potential launch plan. The aim of this process is to deliver a fresh, memorable, distinctive and forward-looking purpose, together with a set of core values and associated behaviours that will help us deliver against it. When embedded and activated through decision making, the purpose and values will help position the Group for the next decade and will:

(i) Support the Company's ambition to continue to be recognised and understood as a leader, differentiated from others within the sector;

(ii) Enable leaders and employees to articulate with consistency what we stand for, and be clear about the behaviours required to enable delivery against the purpose; and

(iii) Help to build trust, engagement and reappraisal across our internal and external stakeholder groups.

Stakeholders considered:

- Customers;
- Employees;
- Shareholders;
- Sub-contractors and supply chain; and
- Local communities.

How the Board made its decision:

Management undertook a number of conversations with a variety of stakeholders ranging from employees to local authorities and the supply chain. This highlighted the importance of environmental and social sustainability to our key stakeholder groups. Five possible territories focusing on sustainability and the environment were presented to the Executive Committee for consideration, who reduced them to three. These were presented to a sub-group comprising of representatives from the Executive Committee, Group Communications and Group HR who proposed three definitions for a new purpose and values to the Chief Executive.

The agreed purpose and values were then presented to the Board together with the narrative that will accompany each, in terms of the importance of each element for the Group and the alignment with shareholder expectations of the business. The Board also considered the proposed plan to launch and embed the new purpose and values throughout the business. The key risk identified by the Board was ensuring buy-in from the business to the new purpose and values. The Board suggested ways of supporting this for example using real live examples to better illustrate the values and including the purpose and values in the induction process for all employees to ensure clarity as to what is expected.

The Board was mindful of the work and cost that the launch and embedding of a new purpose and values would incur on employees but was confident that Management would monitor the level of resource required and adjust as required. In addition, it was noted that the cost of this would utilise cash that could potentially be used to increase the returns to shareholders. The Board was however satisfied that the new purpose and values would promote the long-term success of the Company as it will help drive positive behaviours and result in a more inclusive and engaged workforce who are able to fully articulate what the business stands for. Accordingly, the Board approved the purpose and values and the proposed launch plan.

Protecting the Group's resilience

In August 2022, the Board considered various levers it could pull to protect the Group's resilience and to mitigate against the challenging market conditions that the business was facing as it moved into the final quarter of 2022.

Stakeholders considered:

- Customers;
- Employees;
- Shareholders;
- Sub-contractors and supply chain;
- Local communities; and
- Government, opposition parties and regulators.

How the Board made its decision:

At its meeting in August 2022, the Board received a trading update from Management which signalled a possible slowdown in the market. Given the cyclicality of the business, the Board were cautious about taking any immediate action and agreed to monitor activity on a month by month basis. During this period, the Board considered actions taken during previous downturns to see if any were relevant to the current circumstances, compared our recruitment headcount plans against our target operating model to ensure that we continued to have the right organisational structure and levels of resource in place and assessed our business plan against developments in the market.

As the uncertainty in market conditions continued, Management recommended the following actions to the Board:

- to restrict the acquisition of land to those divisions without a sufficient land bank, where there was a commitment to buy the land and paused new investments;
- to introduce a recruitment freeze other than for critical roles;
- to reviewed both overhead and non-overhead costs to identify potential savings;
- to increase focus on driving leads and appointments through higher incentive levels and more specific marketing activity; and
- to slow down the build rate to align it with the sales rate to avoid having too much work-in progress.

The Board were at all times aware of the potential impact that their decisions would have on various stakeholders. For example existing employees would need to undertake roles for colleagues who were not being replaced; sub-contractors and the supply chain would be losing out on work and orders respectively. The Board was however satisfied that the actions they were taking would promote the long-term success of the Company. Less expenditure on land would help preserve the Group's cash balance and the increased marketing activity and incentives would hopefully appeal to more customers and drive sales. Accordingly, the Board agreed to implement each of the actions recommended by Management.

Share Buyback Programme

During the financial year the Board kept under review opportunities for further investment in the business and prevailing equity market conditions with a view to returning excess capital to its shareholders at the appropriate time.

Stakeholders considered:

- Employees; and
- Shareholders.

How the Board made its decision:

Management updated the Board on the Group's capital structure to enable the Board to assess the balance between the capital requirements of the business and returning excess capital to shareholders, and continuing to maintain balance sheet strength and flexibility. In line with its Dividend Policy, the Board agreed to make a final dividend payment to shareholders for FY23, but recognised that it had the ability to return additional surplus capital to its shareholders.

The Board considered the capital requirements of the business, the market backdrop, balance sheet position and shareholder expectations as part of its deliberations. The Board also took into account the advice from the Group's corporate brokers, Credit Suisse and UBS, who confirmed that in the context of historical trading and the Group's valuation at the time, it was economically sensible to participate in a Share Buyback programme. Other methods, such as a special dividend, were also considered by the Board, who concluded that a share buyback programme would benefit shareholders, specifically through the opportunity for increased future dividends per share on the remaining shares and would also result in an increase in earnings per share. In addition, given that many of our employees are also shareholders, they too would benefit from future dividends opportunity.

Accordingly, the Board approved a share buyback programme to return up to £200m of surplus cash to shareholders during the course of FY23.

Stakeholder engagement

Engaging with our stakeholders

Stakeholder engagement is an important part of our operations. The Board is appraised of the feedback received and takes this into account when making decisions that may impact our stakeholders either collectively or individually.

Customers

Why we engage

Customers are at the heart of everything we do. Without them there is no business for us to operate. It is imperative that we understand their needs and adapt our business processes and product accordingly.

For value for our customers see page 30.

How we engage

We utilise different channels of engagement with our customers depending on the information that we are trying to gain or provide.

Company engagement

We ask for regular feedback from our customers directly through Trustpilot, and both the 8 week and 9 month National New Homes Customer Satisfaction surveys to help us make improvements to our service and their home buying journey. We have continued to engage with our customers on cladding and fire-safety to address any of their issues and concerns. We continuously update our website with up-to-date information about Barratt: where we are building, our key credentials (such as sustainability and energy efficiency) and ways in which we support our customers in their search for one of our high quality homes. We also provide customers with guidance on home and garden maintenance.

Social media community management and social listening provides two-way engagement across a range of channels. We monitor key social media platforms and review sites to identify comments of both positive and negative sentiment. We engage where appropriate to develop a positive social community, address customer issues and advocate our brands.

We have an established customer and insight programme that helps us stay engaged with our customers and deliver action led insights. We involve our customers and those in the market to buy a new home in research to understand their perceptions and preferences on matters such as the cost of living crisis, how they search for their new home, our brand positioning, our product, and their living preferences. We also review the specification of future homes to aid decision making and future business planning. We collect insight to understand customer awareness of sustainability within housebuilding, specifically around energy and water efficiency and changing legislation, and how this impacts their buying decisions. This is done through the use of quantitative and qualitative research methods reaching thousands of customers in any one year.

We know from our research that expectation from low carbon homes is high. Three quarters of those in market expect new build properties to include features that make them as energy efficient as possible, and the desire for this technology remains high. For example, we are collecting insights on our our first gas-free site, Delamare Park, to gain direct feedback from customers living with the technology required to meet The Future Homes Standard, as well as detailed technical monitoring, which will continue to feed into our design and planning decisions. Through engagement with our customers we have determined new ways of helping them better understand the cost savings they can achieve through purchasing a new build home (see page 31 for further details) and introduced new incentives and selling schemes to help them with affordability challenges (see page 30).

Board level engagement

The Group Customer and Change Director, Jeremy Hipkiss, updates the Board annually on actions taken to engage with customers and the outcomes of such engagement, as well as providing insight on what else could or should be done. During the year, Katie Bickerstaffe, one of our Non-Executive Directors, continued to support the review and enhancement of the customer journey by bringing insight from her Executive role.

Metrics – How we measure effectiveness

The following metrics are reported to the Board by the Chief Executive and/or the Group Customer and Change Director to enable it to consider and agree what, if any, changes to make in how and when we engage with our customers:

- 8-week HBF National New Homes Customer Satisfaction rating – we achieved, 5 Star rating for the 14th consecutive year, meaning that 90% or more of our customers are willing to recommend us to a friend.
- 9-month NHBC National New Homes Survey rating measures the satisfaction of our customers after being in their new home for a period of nine months. This is included as a metric in the annual bonus scheme.
- Defect resolution – measures the number of open defects and time taken to resolve.
- Complaint resolution – looks at the formal complaint volumes and resolution timescales.
- Trustpilot scores – provides genuine feedback from customers about their buying and service experiences – for FY23 we were 4.4 for Barratt and 4.3 for David Wilson Homes (FY22: 4.3 for both brands).
- Open rate for our seasonal newsletter emails to customers was 29.9% with click through rate at 7.65%.
- Customer research and insight.

Strategy key

Great places | Investing in our people | Leading construction | Customer first

Interests and concerns

During FY23, the key interests and concerns of our customers remained focused on the cost of living, particularly running costs, energy efficiency and removing financial barriers to entering the market. Access to green open space remained a priority, as well as an appetite for sustainable homes.

Outcomes from engagement

We constantly look to improve in response to any feedback or information from our customers. During FY23 our marketing plans focused on communicating the benefits of our homes to our customers, focusing on the cost savings associated with our energy efficient homes, how we are designing homes to support flexible living and the changes being made due to the requirements of the Future Homes Standard.

We continued to engage with lenders to encourage mortgage product innovation to support affordability challenges and improve mortgage products, process and criteria for our customers.

Effect of engagement with customers on Board decisions

The Executive Committee continued to drive defect and complaint resolution across the divisions and issued revised policies and procedures to ensure compliance following our activation with the New Homes Quality Board for reservations from November 2022. They also closely monitored build stage movements to ensure customers received handover of their new home within agreed timescales and agreed action plans to support those sites not selling in line with build.

With interest rates rising sharply and inflation continuing to outstrip wages, affordability is a challenge for many prospective customers. In order to support customers with the challenge of affordability, particularly after the closure of Help to Buy to new business on 31st October, we have, for example:

- Continued to support Deposit Unlock which allows 95% lending on new build homes.
- Worked with lenders to promote the launch of Green Mortgages which take into account the savings from energy efficiency in affordability assessments.
- Reviewed the digital options available to us to engage with our customers at the earliest opportunity to establish affordability and support them on their home ownership journey.

See page 30

Link to strategy

Employees

Why we engage

Without our employees we would not be able to build the high quality sustainable homes that our customers need. It is due to their hard work and commitment that we are strong, both operationally and financially. We must therefore attract, recruit and retain the best people. To do this we need to understand what matters most to them and ensure we have the right policies, processes and procedures, remuneration, as well as progression, training and development opportunities in place to support them. Engagement with our employees enables the Board to better understand the issues that are important to them and helps nurture a mutual understanding between senior management and their teams.

For the value to our employees see page 35.

How we engage

We use a variety of channels of engagement which enable two-way interaction with employees and allow them to voice their concerns or thoughts either directly or anonymously.

Company engagement

Our Workforce Forum is developing into an important tool for providing insight to the thoughts and opinions of our employees and what matters most to them. In FY23 the Workforce Forum met three times, twice virtually and once in-person. We also arranged a site visit for the workforce to see the Insight House and understand the role it plays in supporting local schools to see the sustainable elements we build into our current homes. Topics discussed included hybrid working, sustainability (renewable energy and waste), the cost of living, training, development and progression, the results of our engagement survey, health and wellbeing and Executive Director and employee remuneration strategies. An overview of our Diversity and Inclusion strategy was also shared with the forum and feedback was taken on how to better reach the differing office and site teams on this topic.

Employees can directly contact the Designated NED for Workforce Engagement on any matters relating to the workplace, on a confidential basis through a dedicated email address.

We regularly send out emails (to Barratt or personal email addresses), newsletters, webinars and video messages to update our employees on issues that may be of interest to them, such as benefits, training, health and safety, hybrid working, sustainability and charitable giving. We have begun a programme of site visits by the HR team, to support those who spend less of their role online to ensure they are able to sign up to and receive the range of benefits available. We have established five employee networks (see page 37 for more details) and collectively they deliver an annual plan of key events and religious festivals, from webinars, book clubs and lead discussions, allowing our people to develop a wider insight and understanding of the business as well as develop a network that they can rely on.

Our annual engagement survey provided great insight into the issues that matter most to our employees. Local action plans were put in place with individual functions and teams to either improve or enhance the engagement that they undertake with their teams. The Executive Committee received an analysis of the verbatim comments received to consider and address as appropriate. In 2023 we also ran a dignity and respect survey, to understand the specific issues, the results of which were shared with the leadership teams and action plans are in development.

Stakeholder engagement continued

Strategy key
- Great places
- Investing in our people
- Leading construction
- Customer first

Employees continued

How we engage continued

Company engagement continued

We also surveyed all employees as part of our materiality assessment to understand which issues are of most importance to them. The findings will be critical to the advance of our sustainability strategy during FY24.

Board level engagement

During FY23, the Board received regular updates from Sharon White, the Designated NED of Workforce Engagement on the activities and discussions of the Workforce Forum, the Chief Executive on the topics discussed and decisions made by the Sustainability Committee, the SHE and Construction Director on health and safety matters, the HR Director on people strategy and diversity and inclusion, and from the Trustees of the Barratt Foundation. These updates include what engagement has taken place with our employees, the outcomes and the actions to be taken.

The Board has this year reinstated its physical site visits, visiting the London and Central regions in March and May respectively. Board members received a regional update from the senior management team and met site and sales employees.

Following the success of the Town Hall event in 2022, the Chief Executive, David Thomas, the Chief Operating Officer, Steven Boyes and the Chief Financial Officer, Mike Scott, held our second one in January 2023. Colleagues across the Group were able to hear directly from them and on behalf of the Board on topics such as current market conditions, the cost of living crisis, and progression and development. Employees had the opportunity to suggest, in advance, any topics they wanted to hear about and to ask questions on the day. These included hybrid working, bonuses, our plans for the future, incentives for our customers to the importance of our employee networks, our plans for offices and the performance of our share price. A full Q&A document was issued afterwards and the event was recorded for those who were not able to join on the day.

Health and safety remains a fundamental priority for the business. The Chair of the SHE Committee, Chris Weston, now attends all SHE Operations Committee meetings and can make suggestions for improvement and hear first-hand the issues and challenges being faced by the teams. The membership of the SHE Operations Committee has been extended to include representatives from site. For more information on the SHE Committee see pages 133 to 136.

The Board entered into a rolling three-year funding agreement with the Barratt Foundation to further engage employees with charitable giving and enable the Foundation to enter into multi-year partnerships, which employees can support and take advantage of the volunteering opportunities available.

Metrics – How we measure effectiveness

The following information is reported to the Board by the Chief Executive to enable it to consider and agree what, if any changes to make in how and when we engage with our employees:

- Employee engagement scores – provides a quantified measurement of engagement.
- The amount of fundraising by employees – provides an insight into the level of engagement with Barratt Foundation initiatives.
- Employee turnover – provides insight into the number of colleagues leaving the business and enables benchmarking across the industry.
- IIR – measures the Company's safety performance against the national average for the same industry and provides an insight into areas of improvement to lower the rate to increase the level of safety of our employees.
- Diversity – helps us monitor the diversity of our workforce and inclusivity of our working environment.
- Gender and ethnicity pay gap – helps us ensure equality in remuneration across the organisation.
- Reports to the whistleblowing line – helps us ensure that we continue to do the right thing and tackle any issues in a timely and efficient manner.

Interests and concerns

Throughout FY23, the key interests and concerns of our employees related to remuneration, resource, training, development and progression, health and wellbeing, flexible working, the cost of living, and their own and the Group's carbon footprint and it's impact on the environment.

Outcomes from engagement

The engagement with our employees has seen significant positive movement on employee wellbeing, open communication, and reward and recognition, reflected in higher scores in these areas. We have also been able to better understand our employees areas of focus; collaboration and communication, equal and fair treatment, and customer focus.

Supporting collaboration and communication has seen changes to the way we share Group information, with a number of webinars and videos to link teams throughout the business. We have extended our family policies, to ensure both parents and carers feel supported at key life stages, and reviewed our mental health first aider's support following feedback from the Workforce forum.

As part of our Diversity and Inclusion strategy we have established a network for our ethnic minority colleagues, to better understand different perspectives and created a programme of informative sessions to increase understanding of different cultures and religious beliefs.

We have also updated our Diversity and Inclusion policy and established a zero tolerance approach, supported by dignity and respect training for our existing and new employees.

We launched an energy efficiency campaign on our intranet site, sharing easy ways to save energy at home and in the office. The blog posts advice and tips from the Energy Saving Trust on how to improve energy efficiency, reduce carbon emissions and save money.

Effect of engagement with employees on Board decisions

The cost of living crisis has had a significant impact on our employees. Accordingly, the Board agreed to extend salary supplement payment of £1,000 for a further six months to June 2023. The payment was made in equal monthly instalments to each employee below our senior leadership team (95% of our employees) (see page 138).

Other benefit improvements included the extension of our maternity and paternity leave and paid leave for carers.

The Board continue to provide funding to the Barratt Foundation to support the work that it is undertaking with the divisions across the business and charitable partners to further engage employees to participate in charitable giving and volunteering opportunities.

See page 35

Link to strategy

Shareholders

Why we engage

Shareholders own the Company. It is therefore imperative that we listen to what they have to say and operate the business in a way that delivers long-term value growth and sustainable returns. The Company's reputation could be damaged and it could be prevented from attracting new investments without the full understanding and support of its shareholders.

For value for our shareholders see page 11.

How we engage

Investors and retail shareholders appreciate contact, and whilst virtual meetings dominated during the year, we increased in-person meetings with a number of shareholders. We intend to offer both virtual and in-person meetings in the future.

Company engagement:

The Executive Directors and the Group Investor Relations Director follow a comprehensive programme of investor meetings and calls to discuss investors' questions and areas of concern, particularly following the release of annual and half year results and trading updates. These included a combination of in person and virtual investor roadshows with shareholders in the UK, Europe and North America, following the Group's final FY22 and interim FY23 results, and ad-hoc one-to-one meetings (including in-person and virtual conferences and fireside chat events) and Group investor meetings at a number of conferences during the year. The use of virtual meetings has again helped to improve our engagement with smaller institutions, regional pension funds and private wealth managers on results and non-results cycle roadshows.

We continue to engage actively on our sustainability strategy. The Group Investor Relations Director and the Group Sustainability Director attended various ESG conferences and meetings and responded to incoming queries from analysts to provide insight into the Group's activities. Key areas of shareholder focus included the Future Homes Standard and the changes this will require in the homes we build; our value chain carbon footprint and our response to the impacts of climate change; our approach to expanding our use of timber frame construction and modern methods of construction; diversity and inclusion, and modern slavery benchmarking studies.

During the year two visits were arranged to see the Group's future home development activities at the University of Salford. These visits involved presentations and tours of the Zed House and eHome2 by members of the Group Design & Technical team and were attended by more than 60 analysts, investors and advisers.

We issue regular trading updates via the London Stock Exchange Regulatory News Service. These are normally published in May, July and October with our half and full year announcements in February and September respectively. Reflecting the challenging trading conditions in the final quarter of calendar 2022, we issued an additional trading update in early January, ahead of our interim results announcement, to update our investors and the analysts in a timely manner. During the year we also issued specific announcements with respect to the progress of the share buyback programme (see page 53), the signing of the Self-Remediation Terms and Contract, as well as, the Scottish Safer Building Accord, addressing necessary fire-safety issues on all our buildings of 11 metres and above, built in the last 30 years (see page 24). Finally, at the end of June, we also announced a portfolio sale of 604 future homes to Citra Living (see page 26).

Our website is a valuable engagement tool and is continuously updated to reflect current information on matters such as sustainability, governance and building safety.

The Company Secretarial team, together with the Company's Registrars, have engaged with various retail shareholders and dealt with enquiries relating to their shareholdings or other information requests. The Company Secretary normally notifies the Chairman and the Chief Executive of any areas of concern or importance raised by retail shareholders. No such queries were raised during the year.

We continue to encourage retail shareholders to request digital communications, in support of our work to enhance our sustainability credentials and reduce our carbon footprint as well as setting up dividend mandates, to enable them to receive their dividends faster and more securely.

Board level engagement:

The Chief Financial Officer, the Company's brokers and the Group Investor Relations Director update the Board on a regular basis on the Company's investor relations activities and shareholder and analyst feedback on the Group's trading updates and interim and full year results as well as ad hoc announcements, to ensure that all Directors are aware of, and have a clear understanding of, the views of our major shareholders.

All Board members are available at the AGM to answer questions submitted in advance (by post or via email to agmquestions@barrattplc.co.uk) or on the day. Shareholders can attend in person or via a live webcast. The Chief Executive also updates shareholders on the Group's performance and activities during the year. The Notice of AGM is circulated to all shareholders at least 20 business days prior to the meeting. All resolutions are voted on by way of a poll.

In May 2023, the Remuneration Committee Chair consulted with major shareholders and proxy voting agencies on the Group's FY23 remuneration outcomes, the Remuneration Policy and its implementation in FY24 (see page 138). The Chairman, the Senior Independent Director and other Non-Executive Directors are available to attend meetings with major shareholders to gain an understanding of any issues and concerns.

Following her appointment on 1 June 2023, Caroline Silver, our newly appointed Chair, met with a number of our shareholders to gain a better understanding of their interests and concerns.

Stakeholder engagement continued

Shareholders continued

Metrics – How we measure effectiveness

The following information is reported to the Board by the Chief Executive and the Group Investor Relations Director to enable it to consider and agree what, if any, changes to make in how and when we engage with our shareholders:

- Share register movements – provides insight into the number of shareholders buying or selling shares in the Company.
- Results of qualitative investor feedback – helps to improve engagement and understanding of key interests and concerns.
- The number of meetings attended – shows the level of engagement led by the Company. In FY23 the Executive Directors, supported by Senior Management, attended 169 investor meetings (FY22: 155), 131 one-to-one meetings (FY22: 137) and 38 Group meetings (FY22: 18) engaging with around 46.6% (FY21: 45.6%) of shareholders (by shareholding value).

Interests and concerns

The key areas of interest and concern for our shareholders included:

The impact of significant changes in homebuyer demand due to inward migration, the war in Ukraine and the cost of living and mortgage rates on the private reservation rate during the year.

On capital allocation, shareholders have sought to understand more, both with respect to the Group's future dividend policy in combination with the potential, over the short but also medium term, to return additional surplus capital.

Sustainability matters, notably, the potential impact of the Future Homes Standard, the Zed House and eHome2 projects and details around our value chain emissions and our strategy to mitigate the impacts of climate change.

Our approach to human rights and Modern Slavery, our developing diversity and inclusion strategy, the gender and ethnicity pay gaps, and our commitment to paying the real Living Wage.

Increased understanding as to the speed with which we can deliver new product innovation into the homes we build; the ability for customers to pay a premium for such improvements; and the lessons being learnt on the incremental costs looking to the Future Homes Standard changes in 2025.

The impact of signing the remediation terms in England on legacy properties on the financial position of the Group.

Outcomes from engagement

Shareholders have been kept informed through timely and clear disclosure of the private reservation rate, as well as the transparent detailing of the contribution from alternative sales channels.

Our engagement also gave investors the opportunity to share their views on the relative merits of ordinary dividends and potential returns of surplus capital either by way of special dividends or through buybacks.

The visits to the Zed House and eHome2 projects allowed investors and analysts to see the prototypes and the new technologies being tested as well as ask questions of the Group Design & Technical team.

The Group enhanced its regular investor presentation materials to include additional details around our sustainability actions and targets and the various issues on which shareholders and wider stakeholders wished to increase their understanding.

Effect of engagement with shareholders on Board decisions

The Board gained further understanding of shareholder expectations in respect of ESG matters, particularly climate change risks and opportunities, following our publication of TCFD disclosures in the FY22 Annual Report.

Reflecting additional shareholder feedback, the Board has included further development around our TCFD disclosures in this Annual Report and Accounts (see pages 78 to 98 inclusive), as well as reaffirming its commitment to developing future investor communications which increasingly integrate ESG related issues with financial and operational performance.

The Board periodically reviewed the Group's ordinary dividend policy in combination with potential returns of surplus capital, following on from the £200m buyback effected during FY23. In principle, the Board continues to believe that excess capital should be returned to shareholders when it is appropriate to do so. Whilst the Company remains in a strong financial position, the UK housing market remains difficult and the outlook remains uncertain. We have therefore agreed that whilst our reduction in dividend cover to 1.75 times will apply from FY24 as planned, there will be no further share buybacks at this stage.

See page 11

Link to strategy

Strategy key

- Great places
- Investing in our people
- Leading construction
- Customer first

Sub-contractors and supply chain

Why we engage

Without our sub-contractors and supply chain we would not be able to build high quality, sustainable products at the volume expected by the market. It is therefore important for us to build relationships with them to secure continuity of supply of materials, support our productivity levels, manage costs of materials and sourcing alternative suppliers and avoid undue delays in construction. We must have a good understanding of what they expect from the Company in return for their continued support.

For value for our sub-contractors and supply chain see page 46.

How we engage

The following methods of engagement give us the opportunity to speak to sub-contractors and our supply chain as a group which ensures consistency in the messaging and opportunity for networking and sharing ideas and best practice. Individual meetings allow us to focus on specific areas or issues relevant to that stakeholder.

Company engagement:

We held our annual Supply Chain conference in person in March 2023. It was attended by 120 of our key Group suppliers. We shared our immediate and medium-term plans and thoughts on the role our suppliers can play in helping us to achieve our objectives, including the reduction of Scope 3 carbon emissions, and gained an understanding of the issues they were facing and how we could support them.

We shared relevant demand forecasting information with all key material suppliers to enable them to ensure appropriate manufacturing capacity is available to meet our requirements.

We continue to support suppliers in the completion of our Supplier Sustainability Maturity Matrix to drive progress and develop shared solutions in the priority areas of carbon, waste, modern slavery, and governance. This was created with the Supply Chain Sustainability School, of which we are a Gold member, to inform and shape the provision of targeted learning and training resources.

In support of this, we have built on the waste reduction workshop we held with a cross section of suppliers in 2022 and continue with one-to-one meetings to discuss the use of alternative packaging and fuels such as electricity, HVO and hydrogen.

A key area of focus is working with our highest emitting suppliers and sub-contractors to better understand our Scope 3 emissions and how we might be able to help to reduce them. More information was requested from an expanded pool of suppliers, including an understanding of their carbon reduction strategies. Further information can be found on page 92.

Our divisions held sub-contractor and supplier days to discuss local business plans and "Thank you" events to show our appreciation for their continued support.

We have had some engagement with our brick suppliers to reduce plastic packaging, with initiatives leading to significant reductions in waste generated, with longer term strategies now being implemented by suppliers. We have also started working with a packaging design consultant (Valpak), who will be engaging with our supply chain to advise on potential alternatives that may reduce waste or improve recyclability.

Board level engagement:

Members of the Board attend the Supplier Conference (the Chief Executive, the Chief Operating Officer, and the Group Sustainability Director all presented). The Chief Operating Officer provided an update on the supply chain and sub-contractor performance at each Board meeting The Group Procurement Director is invited to attend the Board or the Audit Committee to directly answer any queries members may have.

Stakeholder engagement continued

Sub-contractors and supply chain continued

Metrics – How we measure effectiveness

The following information is reported to the Board by the Chief Operating Officer and/or the Group Procurement Director to enable it to consider and agree what, if any, changes with our sub-contractors and supply chain:

- Feedback received from a survey following the annual conference to help improve the conference in the following year.
- Availability of materials and services to support our build delivery programme despite shortages and/or challenges in the industry.
- Supplier performance data, captured via our Supplier Relationship Management Portal and Quarterly Divisional supplier performance feedback process.
- We maintain a dynamic supplier risk management assessment matrix to identify potential future issues and plan mitigating action.
- Supply Chain Sustainability School Membership – assesses the number of our sub-contractors and suppliers signing up as members to show their commitment to upskilling their employees in areas such as sustainability and diversity and inclusion.

Interests and concerns

The key interests and concerns of our sub-contractors and supply chain related to the health and safety of their employees whilst working on our sites, modern slavery, living wage and our actions and progress in respect of our sustainability and carbon reduction strategies and initiatives. Given the current cost of living crisis, it is not surprising that our sub-contractors and supply chain are concerned with being paid in a timely manner. Details of our prompt payment practices can be found on our website. In addition, our sub-contractors are concerned with the availability of materials given the rise in build cost inflation. No materials will mean no work for them on our sites.

Outcomes from engagement

We have received positive feedback regarding our leadership on sustainability issues ranging from carbon and waste to our commitments on modern slavery and the real Living Wage. We closely monitor our prompt payment performance to ensure we are supporting our partners. We have established long-term relationships with our sub-contractors and suppliers which

have helped to ensure delivery and performance standards are mutually understood and have also enabled us to secure materials to support build requirements during a period of shortage of certain components. It has also helped us gain a better understanding on the availability of carbon emission data, and the challenges associated with reporting this data. The majority of our suppliers have now completed the Supplier Sustainability Maturity matrix with 87% of suppliers completing the assessment and 52% of target badges having been met.

Suppliers completed the Supplier Sustainability Maturity Matrix

87%

Effect of engagement with the supply chain on Board decisions

Engagement with sub-contractors and the supply has given the Board a better understanding of the challenges they are facing in respect of collating the emissions data to enable our business to better measure our scope 3 emissions. The Board therefore agreed with the Remuneration Committee that to allow our sub-contractors and the supply chain more time to implement and embed their processes to collect the relevant data, scope 3 emissions should not be included in the sustainability metric for the 2023 LTPP. The Board, guided by the Remuneration Committee, will reconsider this for the 2024 LTPP. In addition, hearing that the uncertain market conditions were causing a number of sub-contractor and supply chain firms to cease trading, the Board requested Management to ensure that those that support us are paid promptly.

See page 46

Link to strategy

Strategy key

- Great places
- Leading construction
- Investing in our people
- Customer first

Banks

Why we engage

We need sufficient finance and working capital to settle liabilities, manage working capital, respond to changes in the economic environment, and take advantage of appropriate land buying and operational opportunities to deliver strategic priorities. In addition, it is important to understand the banks' views on the market and their risk appetite for lending as well as identifying ways in which the parties can collaborate to support mutual customers.

How we engage

The following methods of engagement are effective in ensuring continued mutual understanding of our respective businesses and of the services the banks can provide to us and to our customers.

Company engagement:

The Chief Financial Officer and Group Treasurer regularly engage with each of the banks in the RCF and USPP investors, including calls after each trading update and two site visits each year. Additional calls and meetings were held as appropriate throughout the year. We worked closely with the Banks to amend our existing RCF to a Sustainability Linked Loan which includes sustainability linked performance measures, aligned with our Building Sustainably strategy. The Head of Treasury has a schedule of regular diarised calls on a one to one basis with the Relationship Director of each of the banks who participate in the RCF.

Our Head of Mortgage Lender Relations held regular meetings with the top 10 mortgage lenders, some of which are supported by the Executive Directors.

In order to support customers with the challenge of affordability, particularly after the closure of Help to Buy to new business on 31 October, we have, amongst other things:

- continued to support Deposit Unlock which supports 95% lending on new Build homes;
- worked with lenders to promote the launch of Green Mortgages which take into account the savings from energy efficiency in affordability assessments – reviewed the digital options available to us to engage with our customers at the earliest opportunity to establish affordability and support them on their home ownership journey; and
- convened an industry forum for the top five surveying firms, supported by the HBF and the Future Homes Hub, to collaborate regarding changes required by the Future Homes Standard.

Board level engagement:

During the year, key meetings with members of the RCF and USPP investors were supported by the Executive Directors and members of the Executive Committee and have included site visits and other face to face meetings. The Chief Financial Officer and the Chief Executive provide regular updates to the Board on engagement activities with the RCF banks and mortgage lenders and on any actions being taken as a result of the information received.

Metrics – How we measure effectiveness

The banks' willingness to engage with us and discuss new opportunities to support us and our customers is the key metric that is reported to the Board by the Chief Financial Officer to enable it to consider and agree what, if any, changes to make in how and when we engage with our banks.

Interests and concerns

The key interests and concerns of our banks identified related to our progress with our sustainability strategy in particular energy efficient homes, the potential for a sustainability linked RCF, and the viability for green mortgage products and new high loan to value lending products for our customers.

Outcomes from engagement

Engagement with our banks has given us the opportunity to discuss the market environment and recent trends as well as our latest results. It has also enabled the banks to broaden their understanding of our business and how we operate, as well as the sustainability and environmental challenges, particularly around climate risk and carbon mitigation, facing the business, what we are doing to address these and what they can do to support us and our customers. This engagement enabled us to agree the sustainability linked performance measures in the RCF with the banks. We have engaged with a broader range of mortgage lenders, allowing customers to access mortgage products that are most suitable for their needs. Both parties have gained a greater understanding of each other's priorities and agreed overlapping objectives, with a view to evolving improved lending terms for energy efficient homes.

The strong engagement with Lloyds Bank has enabled strategic partnership to be created with Citra Living, a subsidiary of Lloyds, with Barratt selling a portfolio of homes to Citra, where they will retain ownership of the homes and rent them out acting as a corporate landlord.

Effect of engagement with banks on Board decisions

The Board was mindful that with the impending end of Help to Buy, large numbers of our customers may struggle to gain the financial support that they need to purchase their new home. The Board therefore agreed to support the launch of Deposit Unlock (see page 30) and explore alternatives to Help to Buy.

See page 31

Link to strategy

Stakeholder engagement continued

Local communities and environment

Why we engage

It is important for us to engage with the local communities in which we build to ensure that we are responding to local needs and are able to create value whilst considering the impact that our business has on the local environment and the use of natural resources in our build process. We need to protect habitats and resources as we focus on creating sustainable homes. Regular and open engagement helps ease the whole build process, in particular planning, as it mitigates against objections from members of the community which could lead to undue delay and increased costs.

How we engage

We use a range of engagement methods to enable the local communities to better understand how we can benefit them and how we will protect the local environment around them. Details of how we engage with each of our key stakeholders on the environment and other sustainability matters can be found in the respective sections on pages 54 to 65.

Company engagement:

To ensure that community needs and considerations, including impact on the local environment, are taken into account at the earliest stage of the development process, we hold meetings and site specific consultations which all local residents are welcome to attend. We also hold in-person and virtual public exhibitions as well as regular meetings with other national and local organisations who are key to enhancing our environmental impact. These include parish/town councils, local planning authorities, environmental regulators, Local Water Authorities and Natural England. At these meetings we consult and seek views on our plans and look to incorporate the feedback we receive. We pay particular attention to residents' concerns about how our activities might impact the natural environment.

We frequently share the contact details of site managers with relevant figures at the local parish council, to allow them to be contacted quickly and any issues with construction to be rectified.

We work closely with local schools, to emphasise the importance of site safety and to keep everyone safe. This also teaches children about the construction process, the careers available, and the initiatives that we have implemented to create sustainable homes and places to live, such as through the interactive Insight House on our Heritage Grange development in Warwickshire (see page 55).

Those that we engaged with can provide feedback through a multitude of channels both online and offline. A dedicated project website is often set up to provide information and updates for local residents and interested parties.

We write to inform the local community of upcoming works that have the potential to cause disruption, such as highway and infrastructure works. On many sites we distribute a quarterly newsletter update on development progress so the local community can see what is happening in more detail and have forewarning about any disruptions.

We use signage in and around our sites to demonstrate our credentials and the value that our activities bring to local communities. We highlight the number of jobs and businesses supported, amount of green space created and retained, and section 106 contributions to local infrastructure and services. New developments are publicised in the local press, as are positive news stories about our beneficial activities and impacts of our developments. We have a network of seven PR agencies promoting the business to national, regional and local media. We promote the resilience and sustainability credentials of our homes to the wider community to demonstrate the reduced impact they have on the natural environment at a local and a global level.

The Barratt Foundation continues to grow, increasing its charitable activity by entering into a number of partnership agreements (see page 25 for more details). The Barratt Foundation team have been engaging with our divisions to support them with their charitable giving and creating volunteering opportunities with its national partners for our employees.

Board level engagement:

The Chief Executive and the Chief Operating Officer keep the Board appraised of any local issues that have been identified and have the potential to escalate into a wider matter that may impact the business as a whole. There are also two updates a year from the Group Construction and SHE Director as well as regular updates from the Sustainability Committee. The Board also receives an update from the Barratt Foundation twice a year including the impact our donations are having on our local communities and the protection of the environment.

Metrics – How we measure effectiveness

The following information is reported to the Board by the Chief Executive and/or Chief Operating Officer to enable it to consider

Continued support for Deposit Unlock, supporting 95% lending on new homes

95%

Strategy key

- Great places
- Investing in our people
- Leading construction
- Customer first

> **"This is one of the most helpful companies I've ever dealt with, the staff are absolutely lovely and are really thorough and invested at getting you the best deal."**
>
> **Jasmine and Kim,**
> Barratt customers

and agree what, if any, changes to make in how and when we engage with our local communities:

- The extent of local opposition to our developments.
- The level of planning appeals – 95% of the units we build are approved at a local level and do not require a planning appeal.
- The amount donated to, and the feedback from, charities that we have supported and the impact we had.

Interests and concerns

The key interests and concerns of our communities relate to our local, regional and national socio-economic footprints, our impact on the environment and the availability of green spaces, disruption during construction of our developments including noise and air pollution, the safety and protection of members of the community around our developments, the impact of development on the local population, and the potential for knock-on pressures on the supporting infrastructure and the impact of the development on the environmental resilience of the landscape, including on biodiversity, public green space and flood resistance.

Outcomes from engagement

Our engagement with the local communities in which we operate has enabled us to better understand their needs and to develop a positive legacy from building great places to live, with the facilities that will help the local community thrive. It has allowed us to connect with local schools and families to share key messages such as how we keep people safe and how they can protect themselves. We evaluated the actions that our supply chain undertakes on environmental matters and how we can positively partner with them to drive improvements. We have set internal targets to reduce waste from our construction process and are considering alternative fuels to diesel for plant and other equipment with our supply chain.

The protection of the environment is a key area of concern for the local communities in which we operate. We therefore aim to be mindful of our impact on the environment in everything that we do and have put in place steps to support this. We are accredited to ISO 14001 which demonstrates that we have robust policies and procedures for environmental management. We are also externally audited across all our business units. Our comprehensive Impacts and Aspects Register enables us to consider any areas where improvements can be made.

All our Safety, Health and Environmental team are individual members of the Institution of Environmental Management and Assessment and provide support and guidance to our Divisional teams in managing site based environmental aspects and impacts. We have a team of sustainability practitioners who assist with considering our wider business environmental and carbon impacts and drive improvements across our business.

We have put in place environmental and surface water management plans for all our developments which are monitored by our Divisional Management teams and SHE Managers. We expect our construction teams to continually assess the controls and ensure that we focus on these and the use of resource. Our SHE Managers record levels of compliance as part of their regular reviews. We have a specific monthly monitoring process which focuses on the environmental impacts on site and, in particular, controls to prevent contamination of any adjacent watercourse.

We have set stringent science-based targets for carbon emissions and have a target in place for all homes to be zero carbon in use (regulated energy) by 2030. We are also committed to enhancing biodiversity on every site and have a target in place to demonstrate a minimum biodiversity net gain of 10% across all development designs submitted for planning from 2023.

During FY23, each of our divisions donated £1,500 per month to a different charity that supports the local community within the areas in which we operate. In addition, divisions are encouraged to raise funding for local charities and utilise the match funding available from the Barratt Foundation. During FY23, our colleagues and divisions raised over £1.3m for good causes, the most raised in any one financial year. The number of volunteering days utilised also increased in FY23, with 892 employees supporting local charities through various activities ranging from painting schools to tidying up gardens and cleaning beaches.

Effect of engagement with local communities and the environment on Board decisions

We monitor and report our impact publicly across a range of environmental indicators, including carbon emissions, water usage, waste generation, environmental incidents and prosecutions. The Board, through its Remuneration Committee, utilises this information to determine appropriate non-financial metrics for both our short- and long-term incentive schemes.

The Board are keen to ensure that the Group continues to support and enhance the local communities in which it operates (and that we support them as much as we can). The Board entered into a three-year rolling funding agreement with the Barratt Foundation enabling it to engage in multi-year charitable partnerships and have a real positive impact on the communities in which we operate.

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Link to strategy

Stakeholder engagement continued

Government, opposition parties and regulators

Why we engage

The government is responsible for creating the legislative environment in which we operate, which is enforced by regulators. Opposition parties can influence this environment through their scrutiny of government and by proposing alternative approaches. They may also form the next government. We engage with these stakeholders so that they understand the challenges facing the business, and the likely implications of any current or proposed policies, and so that we understand what future policy is likely to be and how it will be implemented. We also emphasise our positive credentials and build positive relationships to ensure we are well-regarded by these stakeholders and are able to contribute constructively to policy development.

How we engage

We engage with ministers, MPs and regulators through a range of channels.

Company engagement:

Meetings

Senior representatives from the business regularly meet with political stakeholders. During the year David Thomas met with the Chancellor to discuss the economy, the Secretary of State for the Department of Levelling Up, Housing and Communities (DLUHC) to discuss the impact of planning reform, and a number of Housing Ministers. We also hold regular meetings with key representatives from DLUHC and other government departments like the Treasury, Department for Environment, Food and Rural Affairs, Department for Energy Security and Net Zero and the Department for Business and Trade. We have also engaged in ongoing discussion with policy representatives from the Labour party, with the Chair and Chief Executive attending meetings with the Leader of the Opposition, Shadow Chancellor and other relevant Shadow Ministers. We have also provided evidence to the House of Lords Built Environment Committee.

We continue to raise concerns with Government and opposition parties on the disproportionate impact of nutrient neutrality policies on new housebuilding. The housebuilding industry is engaging positively with Government to find a solution, including credit schemes and other approaches to mitigation, to unlock housebuilding in areas where water treatment works may not be upgraded until 2030.

Memberships

Many of these meetings are organised by various organisations of which we are a member, or workstreams to which we contribute. We were invited to join the Government's Energy Efficiency Taskforce, Net Zero Council and Green Jobs Delivery Group, were members of Climate Change Committee's Business Advisory Board and contributed to the Rt Hon Chris Skidmore MP's review of net zero. The Group supports the Energy Efficiency Taskforce on policy development, including the creation of a long-term cross sector roadmap to net zero with clarity on targets and standards, growing consumer confidence, a green finance framework and net zero skills.

We also continue to inform Government on sustainability issues as well as providing leadership and expertise to the Future Homes Hub, a joint industry and Government initiative, designed to deliver a whole industry transition to net zero. David Thomas, our Chief Executive, was appointed as chairman of the Future Homes Hub and our Group Head of Biodiversity is Chair of the Future Homes Hub's Biodiversity Net Gain working group.

Our Group Sustainability Director sits on the Climate Change Committee's Advisory Group on Business – a group convened to share the different ways in which UK businesses can accelerate progress towards net zero. The group has published a new report which looks at how we successfully transition to a net zero economy. At the centrepiece of this is a recommendation that a partnership with Government is urgently needed to meet the UK's commitment to be net zero by 2050.

Housebuilding is suffering from a severe skills shortage. The CITB estimates that almost 200,000 extra workers[1] are required to build the homes the country needs between now and 2027. Many EU workers have left the UK in the wake of Brexit and the pandemic. As part of our role on the Green Skills Taskforce and through our membership of the Future Homes Hub, we are working with Government to ensure that the necessary skills and workforce are available as we scale up to building zero carbon homes at scale. A key area is to provide support to those currently working in high carbon industries, enabling them to retrain into a high quality, long-term green career, as a key component of a just transition. We are also working with manufacturers and our trades to ensure that specialist training is in place so that we are in a position to scale-up delivery of new technologies such as solar panels.

Conferences

Key to our engagement is the party conference seasons in the autumn. This year, David Thomas attended panel events hosted by the RSPB and the NHBC, alongside the then-Housing Minister Lee Rowley. At the Labour Conference, Bukky Bird, Group Sustainability Director, attended a series of meetings, including the Labour Business Forum events. At both conferences representatives from the Corporate Affairs team and other business functions held further meetings with party representatives.

Site visits

Site visits are an important strand of our stakeholder engagement, as they enable us to demonstrate the quality of our developments first-hand. During the year we welcomed the Leader and Deputy Leader of the Labour party to our Centurion Village development near Preston. We also hosted a number of stakeholders to the Zed House and Energy House 2.0 projects, including the Mayor of Greater Manchester Andy Burnham, and the author of the independent review of net zero, Chris Skidmore.

1 Construction Skills Network Outlook 2023 – 2027.

Strategy key

- Great places
- Investing in our people
- Leading construction
- Customer first

Letters

We also regularly write to our political stakeholders, to showcase our positive credentials and to directly explain our positions on certain issues. We wrote to 81 MPs who had one of our 98 Pride in the Job-winning site managers in their constituencies, resulting in nine site visits. We also wrote introductory letters to each of the four new housing ministers and three Secretaries of State we saw during the year, as well as other new ministers.

Complaints

On the rare occasion that customer complaints are elevated to the point that they feel the need to contact their MP, the relevant Regional Managing Director will investigate the issue and prepare a response with the assistance of the Corporate Affairs team. Oversight of any such issues is maintained by the Group and used to inform the ongoing stakeholder engagement strategy.

Consultations

Much of our contribution to policy development comes in the form of responses to government consultations, which are prepared by the relevant Group functions with assistance from the Corporate Affairs team. This year Government consultations responded to by the Group included those on the forthcoming Building Safety Levy, changes to the National Planning Policy Framework, the requirement for two staircases in new high-rise buildings, increases in planning fees, and the Infrastructure Levy.

CMA

We continue to co-operate with the Competition and Markets Authority's study into the housebuilding market.

Board level engagement:

At each Board meeting the Chief Executive provides an update on engagement with policymakers and regulators, covering knowledge gained and any potential impact on the business. This information is also regularly provided by the Group Corporate Affairs team.

Metrics – How we measure effectiveness

The following information is reported to the Board by the Chief Executive to enable it to consider how we engage with government and regulators and what, if any, changes to make:

- The business's political engagement strategy – to ensure we are engaging with the right people to fully understand any policy changes and effectively communicate our key messages in line with our broader strategic aims.
- A comprehensive overview of our engagement with key political stakeholders, including meetings, site visits, mutual attendance at events, correspondence and public statements, so that we can track our relationships with our key stakeholders and assess the progress of our engagement strategy.
- Our responses to Government consultations and emerging legislation on relevant policy areas, such as the Building Safety Levy, Infrastructure Levy, and draft changes to the National Planning Policy Framework. We assess the extent to which policy and legislative outcomes accord with our representations to policymakers.

Interests and concerns

Some of the key areas of interest and concern to Government and regulators are:

Supply and planning – how to reconcile the desire to build 300,000 homes a year with political opposition and the wider levelling up agenda.

Sustainability – how to reduce carbon emissions and protect the natural environment while achieving energy security and growing the economy.

Inflation – the impact of increases in the cost of living and their knock-on impacts on interest rates, mortgage costs, house prices, employment and GDP growth.

Quality – making sure new homes are built to the highest quality and consumers are protected should things go wrong.

Building safety – addressing defects in historic buildings, making sure the costs of doing so are borne by parties across the industry, and promoting trust in the new regulatory regime.

Skills – ensuring there are enough workers to build the homes the country needs, and that people have access to training to build the energy efficient homes of the future.

Outcomes from engagement

Our engagement with government, opposition parties and regulators has helped us build positive relationships with key figures, so that we can continue to be involved and inform conversations about the future of housing policy. Our continued positive engagement has meant we are frequently the housebuilder of choice for officials seeking a representative of the sector.

It has helped us to understand upcoming policies and the broader operating environment, and to influence any proposed changes through meetings with key figures and responses to government consultations. Meetings with Ministers and MPs helped us understand the drivers behind proposed changes to government planning policy, while meetings with senior opposition ministers saw us emphasise the value of housebuilding sector for the economy and the country's social fabric.

We have also improved our reputation with those key stakeholders by showcasing the good work we do, which helps ensure our perspective and the impact on the industry is understood and taken into account when developing future policy. This enables us to explain the challenges facing the sector, and the opportunities it can provide, so that future policy can support new housebuilding and avoid adverse outcomes. Visits by MPs to Pride in the Job award-winning sites enable us to demonstrate first-hand the positives of our activities.

Effect of engagement with Government, opposition parties and regulators on Board decisions

Engagement with key political stakeholders assists the Board in understanding the risks and opportunities presented to the business by changes to the operating environment, allowing them to make decisions in line with the strategic interests of the business.

The Board signed the Developer Remediation Contract following extensive engagement with Government.

The Board has also gained knowledge of how evolving housing policy can impact the housing market at a local and national level, and therefore affect land bids which enables it to consider if the process and policies in place remain appropriate.

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Link to strategy

Robust performance

The Group is in a very strong position with substantial net cash, and an excellent forward sales position and land bank.

Mike Scott
Chief Financial Officer

Our financial results have reflected the change in market demand, triggered by the Fiscal Event in September 2022 and subsequent higher interest rate environment. FY23 saw a sharp contrast between our first half performance, which reflected the strength of our forward order book and robust house prices coming into the financial year and the second half, which reflected reduced reservation activity, an adjustment in achieved home prices and slower construction activity against a background of mortgage interest rate uncertainty.

Our performance reflects the flexibility and resilience of our operating model which is supported by a strong balance sheet and the commitment and dedication of our employees, sub-contractors and supply chain partners in what has been a challenging year.

> **"Our performance also reflects the flexibility and resilience of our operating model which is supported by a strong balance sheet and the commitment and dedication of our employees, sub-contractors and supply chain partners in what has been a challenging year."**

Results to 30 June 2023

Income Statement

Group revenue was £5,321.4m in FY23 (FY22: £5,267.9m) with Group wholly owned completions 4.6% lower at 16,378 (FY22: 17,162), reflecting weaker completions in the second half following the decline in reservation activity seen from September through December 2022 and the slower rate of reservations from the start of the new calendar year.

Our private average selling prices increased by 7.9% to £367.6k (FY22: £340.8k), reflecting underlying house price inflation and minor changes in product and geographic mix, as well as the dilutive impact of PRS growth. The increase in the average selling price of our wholly owned completions was 6.5% to £319.6k (FY22: £300.2k). The lower increase reflected a greater proportion of affordable homes which accounted for 23.9% (FY22: 22.3%) of completions.

Adjusted gross profit reduced by 13.6% to £1,130.4m (FY22: £1,308.1m), with the adjusted gross margin reducing by 360 bps to 21.2% (FY22: 24.8%). The reduction in adjusted gross margin reflected the impact of build cost inflation during the financial year and the dilutive effect of completion volume decline, which reduced incremental fixed cost efficiency. In FY23 our contribution margin was c. 32% (FY22: c. 34%) after land and direct build costs.

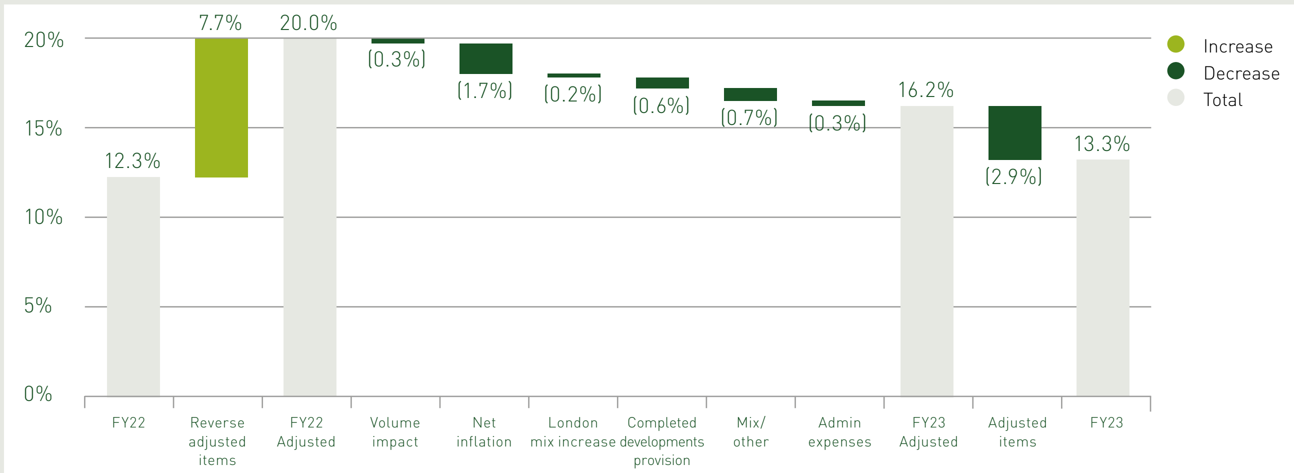
After operating adjusted items, totalling £155.5m (FY22: £408.2m) relating to legacy property costs, reported gross profit was £974.9m (FY22: £899.9m), and reported gross margin was 18.3% (FY22: 17.1%).

Administrative expenses in the year were £270.8m (FY22: £256.4m). This increase included:

- the impact of salary increases, as well as additional salary supplements of £2,000 for employees below senior management levels;
- incremental costs reflecting expansion in the Group's Building Safety Unit;
- the full year impact of Gladman Developments' administrative expenses; and
- a further reduction of £4.5m in sundry income.

After deducting administrative expenses and a modest net gain of £3.3m on part exchange activities (FY22: £3.1m), the Group delivered an adjusted profit from operations of £862.9m (FY22: £1,054.8m), with an adjusted operating margin of 16.2% (FY22: 20.0%). The 380 bps decline in the adjusted operating margin is analysed further below.

Movements in operating margin in FY23



Completion volumes
The decline in our wholly owned completion volumes, with a 4.6% or 784 homes decrease, created a 30 bps negative impact (FY22: 10 bps positive impact).

Net inflation
Sales price inflation relative to higher underlying build cost inflation produced a 170 bps negative impact (FY22: 140 bps positive impact).

London
A significant increase in the share of completions from our London operations, 8% in FY23 (FY22: 6%), where margins are lower than in the regional business, resulted in a 20 bps negative margin impact.

Completed developments provision
Reflecting the increasingly extended time periods being experienced in relation to the adoption of roads and public space by local authorities on completed developments, an increase in this provision created at 60 bps negative margin impact.

Mix and other items
Changes in sales mix, increased selling costs, abortive costs in relation to land transactions no longer proceeding and other smaller items created a 70 bps negative impact (FY22: 40 bps negative impact).

Net administrative expenses
As detailed above, offset by the small increase in part-exchange income, increased net administrative expenses deducted 30 bps (FY22: deducted 100 bps) from the adjusted operating margin.

Chief Financial Officer's review continued

Results to 30 June 2023 continued

Income Statement continued

After deducting adjusted items, on a reported basis we delivered an increase in profit from operations to £707.4m (FY22: £646.6m) and a reported operating margin of 13.3% (FY22: 12.3%).

Net finance charges were £11.1m (FY22: £27.6m) reflecting increased interest income on cash balances held throughout FY23. The cash component of the finance charge was a credit of £13.4m (FY22: £8.3m cost) with non-cash charges of £24.5m (FY22: £19.3m). In FY24, finance costs are expected to increase to c. £20m reflecting a cash component credit of c. £20m and non-cash charges of £40m. The anticipated increase in non-cash finance charges reflects the impacts of the increase in legacy property provisions and the higher discount rate applied to these provisions arising from the increase in the gilt rate.

Our JVs delivered adjusted profit for the year of £32.5m (FY22: £27.6m). The JV results included adjusted charges for JV legacy properties of £23.7m (FY22: £4.3m) with JV reported profits being £8.8m (FY22: £23.3m) as a result.

Consequently, reported profit before tax for the year increased to £705.1m (FY22: £642.3m).

The Group's tax charge for the year increased to £174.8m (FY22: £127.1m), which included the final quarter impact of the 600 bps increase in the rate of corporation tax increasing from 19% to 25% from 1 April 2023. The tax charge comprised:

- A corporation tax charge on adjusted profit before tax of £188.1m (FY22: £200.8m);
- A full year impact of the Residential Property Developer Tax (RPDT) which equated to a FY23 charge of £26.0m (FY22: £8.8m); and
- Tax credits with respect to adjusted items, which totalled £39.3m in FY23 (FY22: £82.5m credit).

Adjusted earnings per share decreased by 18.9% to 67.3 pence per share (FY22: 83.0 pence per share). The decline in adjusted earnings per share consisted of a 16.2% decline in adjusted pre-tax profitability, a further 5.4% impact from increased taxation, which was only partially offset by a 2.2% benefit from the reduced average count, reflecting the initial FY23 impact of the buyback.

Basic earnings per share increased by 5.1% to 53.2 pence per share (FY22: 50.6 pence per share).

Reflecting the decline in adjusted profitability but disciplined management of capital employed throughout the year, ROCE declined to 22.2% (FY22: 30.0%).

Adjusted items

Adjusted items recognised in the year related to costs associated with legacy properties and totalled £179.2m (FY22: £412.5m). Of this total charge £117.7m (FY22: £377.7m) related to future commitments in relation to fire safety and external wall systems with £51.5m (FY22: £34.8m) relating to remedial works arising from the review of reinforced concrete frames we announced in July 2020, following the issues we discovered at Citiscape. A further c. £10.0m was expensed in the second half of the year in relation to two other developments where investigations are ongoing.

Fire safety and external wall systems

In relation to fire safety and external wall systems, the additional costs relate to:

- an increase in the number of buildings within scope, from 223 at 30 June 2022 and 228 at 1 January 2023, to 278 at year end, following the signing of the Self-Remediation Terms and Contract in March 2023; and
- an update to cost estimates across the portfolio, reflecting the latest building material and labour cost information.

This resulted in an additional provision of £172.3m prior to discounting to present value. The enlarged provision, as well as the discount rate applied to the provision, reflecting the increase in the UK gilt rate applied at 30 June 2023, resulted in a credit of £51.9m and the recognised net charge of £117.7m.

In addition, we signed the Scottish Safer Buildings Accord on 31 May 2023. Industry negotiations over the legal agreement between the Scottish Government and Homes for Scotland are ongoing and there remains uncertainty around the extent of remediation required in Scotland. Existing provisions for Scotland have been made on a consistent basis with England & Wales.

Reinforced concrete frames

In relation to the Citiscape associated review our remediation activities continued during the year with the majority of developments proceeding in line with plan. During the second half of the year we also finalised remediation plans for the one remaining development in that review, where work is required across five buildings. Finalisation of this remediation plan, as well as ongoing remediation activities, resulted in an additional charge of £51.5m of which £21.3m related to JV legacy developments.

In addition to this review, we identified two further developments where remediation work may be required. In FY23 £10.0m was charged to the Income Statement for remediation works at these developments, including a JV charge of £2.4m. Of the £10.0m charge, £2.4m was spent in the second half with £7.6m in the provision at 30 June 2023.

Whilst the charges in respect of legacy properties reflect our current best estimates of the extent and future costs of work required, as assessments and work progress, estimates may have to be updated.

Cash flow

Net cash decreased to £1,069.4m at 30 June 2023 (30 June 2022: £1,138.6m). The main components of the change in net cash position were:

- a £465.5m net cash inflow from operating activities (FY22: £417.6m cash inflow);
- a £55.4m net cash inflow from investing activities (FY22: outflow of £222.4m), with the reversal reflecting increased cash received from joint ventures and the cash outflow impact of the Gladman acquisition in FY22; and
- a net financing cash outflow of £590.6m (FY22: outflow of £378.4m), principally reflecting dividends paid of £360.0m (FY22: £337.0m), as well as the £201.3m outflow in respect of the £200m share buyback including Stamp Duty and fees of £1.3m.

The major drivers of the £465.5 net cash inflow from operating activities in the year was our profit from operations, which increased to £707.4m (FY22: £646.6m), offset by a net cash outflow from working capital and provisions of £64.9m (FY22: £118.2m cash outflow) and net interest and tax payments, which increased to £196.3m (FY22: £140.2m).

The net £64.9m outflow (FY22: £118.2m outflow) with respect to working capital and provisions was largely related to a significant decrease of £337.6m (FY22: £10.7m decrease) in payables, driven by the reduction in land creditor balances as we settled existing commitments, alongside a significant reduction in land acquisition and construction activity. This was offset by other net inflows in working capital including a £48.9m decrease in inventories (FY22: £543.4m increase) which also arose from reduced land activity and tighter control of work in progress, and a £163.4m net increase in provisions (FY22: £415.1m increase) which resulted from additional building safety charges during FY23. During FY23 £32.9m was spent on the remediation of legacy properties

Balance sheet

The Group's net assets at 30 June 2023 totalled £5,596.4m (30 June 2022: £5,631.3m) after the payment of dividends totalling £360.0m (30 June 2022: £337.0m) and the return of surplus capital through the buyback totalling £201.3m. The Group bought back 48m shares at an average share price of 415 pence during the year, with all shares being cancelled.

Net tangible assets were £4,548.6m (467 pence per share) at 30 June 2023 (30 June 2022: £4,573.0m; 447 pence per share). Land, net of land creditors, and work in progress totalled £4,540.3m (466 pence per share) at 30 June 2023 (30 June 2022: £4,444.1m; 435 pence per share).

Goodwill and intangible assets reduced to £1,047.8m (30 June 2022: £1,058.3m) reflecting amortisation charges in the year.

At 30 June 2023, the Group held net cash balances of £1,069.4m (30 June 2022: £1,138.6m). Whilst we continue to defer payment for some land purchases to optimise ROCE, the pause in land buying has seen land creditors reduce, whilst remaining within our operating framework range. At 30 June 2023, land creditors were £506.7m (30 June 2022: £733.6m) and equated to 16.1% (30 June 2022: 22.0%) of the owned land bank.

Our minimal year-end total net indebtedness target was achieved with a net surplus of £562.7m at 30 June 2023 (30 June 2022: £405.0m net surplus).

During FY24, £321.5m of land creditors will fall due for payment (30 June 2022, during FY23: £498.2m). Land creditors due beyond 30 June 2024 totalled £185.2m at 30 June 2023 (30 June 2022: £235.4m due beyond 30 June 2023).

Capital returns

The Board has reviewed our capital allocation policy in light of current market conditions. In principle, the Board continues to believe that excess capital should be returned to shareholders when it is appropriate to do so. Whilst the Company remains in a strong financial position, the UK housing market remains difficult and the outlook remains uncertain. We have therefore agreed that whilst our reduction in dividend cover to 1.75 times will apply from FY24 as planned, there will be no further share buybacks at this stage. The Board will continue to review the capital allocation policy as market conditions develop.

Operating framework and capital structure

Our operating framework and appropriate capital structure continue to serve us well. We continue to target an appropriate capital structure as part of our disciplined operating framework with shareholders' funds and land creditors funding the longer-term land requirements of our business, and term loans and bank debt funding the shorter-term requirements for working capital.

Our operating framework remains unchanged, and our performance against targets at 30 June 2023 and 2022 are summarised below:

	Operating framework	Positions at 30 June 2023	Positions at 30 June 2022
Land bank	c. 3.5 years owned and c. 1.0 year controlled	3.6 years owned and 0.7 years controlled	3.9 years owned and 0.8 years controlled
Land creditors	Maintain at 15 - 25% of the land bank over medium term	16.1%	22.0%
Net cash	Modest average net cash over the financial year	FY23: average net cash of £759.1m	FY22: average net cash of £957.4m
	Year-end net cash	£1,069.4m	£1,138.6m
Total indebtedness	Minimal year-end total indebtedness in the medium term	Total net surplus of £562.7m	Total net surplus of £405.0m.
Treasury	Appropriate financing facilities	£700m Revolving Credit Facility extended to November 2027; £200m US Private Placement Notes maturing August 2027	£700m Revolving Credit Facility extended to November 2025; £200m US Private Placement Notes maturing August 2027
Dividend policy	Dividend cover of 1.75x adjusted earnings per share in FY24	FY23: Total ordinary dividend of 33.7p per share	FY22: Total ordinary dividend of 36.9p

Chief Financial Officer's review continued

Results to 30 June 2023 continued

Treasury

The Board sets and approves the Treasury Policy and senior management control day-to-day operations. The Group's Treasury Policy seeks to maintain an appropriate capital structure and provide the right platform for the business to manage its operating risks.

Cash management and relationships with our banking partners are coordinated centrally by the Group Head of Treasury. During the year, we extended our £700m revolving credit facility to November 2027 with two further one-year extension periods through to November 2029, if agreed between the Group and its lenders.

Looking to the future and aligning our credit facilities with our Building Sustainably Framework, our revolving credit facility has also been amended to include three sustainability linked performance measures to be assessed and verified annually. The three performance measures are: (1) science-based target aligned scope 1 & 2 emissions reductions; (2) waste intensity reduction; and (3) improving the sustainability of our homes.

Tax

The Group does not enter into business transactions that are for the sole purpose of reducing potential tax liabilities. The Group's tax strategy is to only utilise any available reliefs and exemptions, which have been set out in any current tax legislation, to minimise the Group's tax liabilities.

The rate of corporation tax for the year ended 30 June 2023 was 24.8% (FY22: 19.8%), which was marginally above the standard effective rate of tax of 24.5% (inclusive of RPDT) (FY22: 20.0%).

Looking ahead, the Group's tax charge and effective rate of tax is expected to increase, reflecting changes in the rate of corporation tax, which increased from 19% to 25% from 1 April 2023. With the full year impact of the increase in corporation tax, the Group's effective tax rate is expected to increase to approximately 29.0% in FY24.

Pensions

Defined contribution pension arrangements are in place for current employees. Defined contribution scheme charges with respect to qualifying employees totalled £19.1m (FY22: £14.9m). Pension contributions are based upon a fixed percentage of each qualifying employee's pay and, once paid, the Group has no further obligations under these schemes.

Guidance for FY24

Looking to FY24, our guidance is summarised in the table below:

Completions	c. 13,250 - 14,250 total home completions including c. 750 PRS and c. 650 from JVs Affordable mix broadly in line with FY23
Average sales outlet movement (inc. JVs)	c. 6% decline
Build cost inflation	c. 5%
Administrative expenses	c. £290m - £300m (including amortisation of intangible asset charges of c. £10m)
Interest cost	c. £20m charge (c. £20m cash credit, c. £40m non-cash charge)
Land approvals	Maintain our highly selective approach to land buying
Land cash spend	c. £0.5bn - £0.7bn
Year-end net cash	c. £0.7bn-£0.8bn
Taxation	Effective tax rate of 29% reflecting current corporation tax rate at 25% and 4% RPDT
Ordinary dividend cover	1.75x ordinary dividend cover based on adjusted EPS

Well positioned for an uncertain outlook in FY24

Despite significant economic headwinds and persistent challenges to affordability for our customers, the Group is in a strong position. We entered FY24 with substantial net cash, a solid forward sales position and an excellent land bank. Our operating framework and our strong financial position create the platform to focus on delivering high quality, sustainable homes and developments throughout the country, as well as the flexibility to react to changing market conditions and opportunities as they evolve.

Mike Scott
Chief Financial Officer
5 September 2023

Risk management

In pursuing our strategic priorities to create value for stakeholders, we are exposed to risk. The Board is responsible for risk management and ensuring the Group maintains the appropriate level of risk exposure to achieve its objectives.

Board

Board Committees

Executive Committees

Risk Committee

Risk type	How are risks assessed?	Where are risks and controls captured?	Key sources of assurance
Enterprise risk management (ERM) framework			
Group-level risks	Top-down risk assessment	Group risk register	Risk Assurance mapping
Regional and functional risks	Bottom-up risk assessments	Regional and functional risk register	2nd line monitoring MRR*/DBM**
Risk and internal control framework			
Process risks	Control-self assessment	Policies and procedures documentation and internal control matrices	2nd line monitoring and 3rd line internal audit programme
Fraud risk framework			
Fraud risk	Fraud risk assessment	Fraud risk register Internal control matrices	3rd line internal audit programme
Internal Controls over Financial Reporting (ICoFR) framework			
Financial reporting risk	Financial reporting risk assessment	Policies and procedures documentation and risk and control matrices	3rd line internal audit Key controls (ICoFR) testing External audit

* Management Regional Reviews
** Divisional Board Meetings

The risks which the Group face could have a material adverse effect on the implementation of the Group's strategy, business, financial performance, shareholder value and returns, and reputation. Changes in the economic or trading environment can affect the likelihood and potential impact of risks, and may create new and emerging risks.

Risk management controls are integrated into all levels of our business and across all operations, including at site, divisional, regional and Group level, and are monitored to ensure controls are in line with risks as they evolve. Our risk management framework and the roles and responsibilities of the Board, its Committees and levels of management in the identification and management of risk are summarised below.

Responsibilities

Board and Board Committees

- Responsible for corporate strategy, governance, performance, internal controls and risk management.
- Monitor the effectiveness of the Group's risk management and internal control systems.
- Promotes an appropriate culture to support effective and embedded risk management throughout the Group.
- Set risk appetite, considering the expectations of stakeholders, and the macroeconomic context.
- Monitor principal and emerging risks.
- Assess risks against the Group's strategy and the interests of stakeholders, and gain assurance on their management.

Executive Committee and Risk Committee

- Monitors business and operational performance and changes to key risks.
- Through the Risk Committee, assess and monitor identifies risks using a scoring system based on the likelihood of the risk materialising and the potential impact of the risk on the business.
- Implements mitigation strategies to effectively manage key risks within the Group's risk appetite.
- Responsible for ensuring that risk management is embedded within the business and appropriate actions are taken to manage risk.
- Delegate risk oversight to appropriate management committees.

Group, Regional and Divisional Management

- Apply specialist knowledge to identify new risks and monitor changes to existing operational and strategic risks at a divisional, regional and functional level.
- Responsible for risk management and control within relevant divisions, regions or Group disciplines.

Risk management continued

Responsibilities continued

Site management, assessments and valuations

- Identify and assess operational risks affecting housebuilding activity at site level, including construction, sub-contractor and SHE risk.
- Maintain an effective system of site-level risk management and internal control.

Risk activities conducted during the year

As part of the Group's risk management framework all regions and key Group functions conducted risk workshops to review and identify their current risks and any potential emerging risks. These workshops presented a robust challenge to the principal risks identified at an executive level. During this process, management have reviewed the policies and methodologies behind our risk management framework to ensure that our procedures suitably allow key risks and the specific events that may cause them to materialise are identified, so that the Group can focus on mitigating these areas.

The Group continues to assess the potential impact of both the physical impact of climate change and the regulatory and social measures that may be adopted to mitigate against it. In line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), the Group has disclosed its response on pages 78 to 98. Climate-related risk is one of several challenges arising from the environment in which the Group operates and the Board recognises the business' responsibility to be a sustainable partner and comply with environmental, social and governance (ESG) regulation. The Board has therefore broadened its principal climate risk to cover all ESG issues.

The Board no longer considers the availability of finance and working capital to be a principal risk. We continue to have a strong balance sheet, with minimum debt financing and a strong cash position, and have recently refinanced our Revolving Credit Facility to November 2027. In our Viability Statement and going concern conclusions, we set out our liquidity and viability in the short, medium and long term, identifying limited risk. See page 99.

Reputational risk could potentially arise from a number of sources including external and internal influences relating to the housebuilding sector that, when combined or over a period of time, could create a new principal risk. The Group actively manages the impact of reputational risk by carefully assessing the potential impact of all the principal risks and implementing mitigation actions to minimise those risks. Reputational risk is therefore covered by the management of each of our individual risks and is not presented as a principal risk in its own right.

Overall assessment

The Board has completed its assessment of the Group's principal and emerging risks, including those that could threaten its business model, future performance, solvency or liquidity.

The current risk profile is within our tolerance range as the Group is willing to accept a moderate level of operational risk to deliver financial returns.

There may be instances where these risks could have a moderate adverse impact on the Group – either financially or operationally. To ensure the Group's business model remains resilient over the medium and long term, the Group has modelled these scenarios alongside achievable mitigating actions. The results are presented in the Viability Statement on pages 99 to 100.

Heat map of principal risks net of mitigation

Risk velocity

Due to the changing internal and external environment in the year and the need to be mindful of the speed at which risks can materialise, the Board has this year assessed the velocity of the Group's risks. This will assist the Board in assessing the mitigating actions to ensure that responses are sufficiently timely. Velocity is categorised as follows:

Rapid: Risk can materialise immediately, or, impact felt within one month of occurring.

Moderate: Risk can materialise quickly, or, impact felt between 1 and 12 months of occurring.

Slow: Risk can materialise slowly, or, impact felt after 12 months of occurring.

Principal risks

The Group has identified 11 principal risks that it considers to be of material impact and likelihood:

- A Economic environment
- B Land and planning
- C Government regulation and political risk
- D Construction quality and innovation
- E Supply chain resilience
- F Legacy properties
- G Safety, health and environment
- H Attracting and retaining high-calibre employees
- I Information technology
- J Environmental, social and governance
- K Business resilience and continuity

The principal risks are detailed on pages 73 to 77, categorised by the strategic priorities to which they relate. Risk levels are presented net of any mitigation that is in place and the risk appetite defines the level of risk that the Board is comfortable with.

Customer first

A Economic environment

Risk level: H ↔
Velocity: Moderate

Risk appetite: M ↔

Responsibility: Executive Committee

Risk description

Changes in the UK macroeconomic environment may lead to falling demand, tightened mortgage availability, or reduced purchaser liquidity especially in the first time buyer market. This could reduce the affordability of our homes, resulting in reduced sales volumes and our ability to provide profitable growth.

Response/mitigation

- Continual monitoring of the market at Board, Executive Committee, regional and divisional levels, leading to amendments in the Group's forecasts and planning as necessary.
- Comprehensive sales policies, regular reviews of pricing in local markets and development of good relationships with mortgage lenders.
- Disciplined operating framework with an appropriate capital structure and strong balance sheet.

Key risk indicators

Internal: Gross and operating margins, PBT, ROCE, EPS, TSR, total home completions.

External: GDP growth, CPI inflation, mortgage approvals, mortgage affordability, new housebuilding site starts.

Great places

B Land and planning

Risk level: H ↑
Velocity: Moderate

Risk appetite: M ↔

Responsibility: Land Committee

Risk description

Lack of developable land due to delays in planning approval, failure of a clear and consistent government policy or insufficient consented land and strategic land options at appropriate cost and quality could affect our ability to grow sales volumes and/or meet our margin and site ROCE hurdle rates.

Response/mitigation

- All land acquisitions are subject to formal appraisal and approval by the Land Committee.
- Group, regional and divisional review of land currently owned, committed and identified against requirements.
- Regular meetings with external stakeholders including land agents, promoters and land owners.
- Review by Land Committee and management on strategic land and sites.
- Robust review of land appeals before resubmission.

Key risk indicators

Land approvals (plots), UK quantum of consented housing units per year, UK quantum of applications decided within statutory periods.

C Government regulation and political risk

Risk level: H ↑
Velocity: Moderate

Risk appetite: L ↔

Responsibility: Operations Committee

Risk description

The housebuilding industry is subject to increasingly complex regulations, government intervention and policy changes, for example building regulation, legal, NHQC, CMA and environmental regulation. Deviation from regulations or failure to implement the changes effectively within our processes could lead to financial penalties, damage to the Group's reputation or increased costs due to inefficient processes.

Response/mitigation

- Robust and rigorous design standards for the homes and places we develop that exceed current and expected statutory requirements.
- Policies and technical guidance for employees on regulatory compliance and the standards of business conduct expected.
- Legal and compliance risks monitored by the Risk Committee.
- Consultation with government agencies and membership of industry groups to help monitor, understand and plan for proposed regulation change.

Key risk indicators

Gross and operating margin, PBT, ROCE, EPS, TSR, total home completions.

Risk level/appetite H High risk M Medium risk L Low risk

Change from previous year ↑ Increase ↓ Decrease ↔ No change N New

Risk management continued

Principal risks continued

Leading construction

D Construction quality and innovation

Risk level: H ↔
Velocity: Moderate

Risk appetite: L ↔

Responsibility:
Operations Committee

Risk description

Failure to achieve excellence in construction, through an inability to develop and implement new and innovative construction methods or to be a market leader with changes in technology advancement in line with the Future Homes Standard, could increase costs, expose the Group to future remediation liabilities, and result in poor product quality and reputational damage.

Response/mitigation

- Continuous review of design and materials, which are evaluated by technical experts including the NHBC, to ensure compliance with all regulations.
- Monitoring and improving the environmental and sustainability impact of construction methods and materials.
- Implementation of modern methods of construction by design and technical teams.
- Detailed build programmes supported by robust quality assurance.
- Use of qualified engineers through an approved panel.
- Group Construction and Group Technical reviews of local divisions in key risk areas.

Key risk indicators

Customer service, total home completions, gross margin, operating margin, PBT, ROCE, EPS, construction waste intensity and carbon intensity.

E Supply chain resilience

Risk level: M ↔
Velocity: Rapid

Risk appetite: L ↔

Responsibility:
Operations Committee

Risk description

Not adequately responding to shortages or increased costs of materials and skilled labour, or the failure of a key supplier in the current economic environment, may lead to increased costs and delays in construction.

Response/mitigation

- Centralised team procures most materials from within the UK, ensuring consistent quality and cost.
- Development of long-term supplier and sub-contractor partnerships with all significant supply agreements fixed in advance, usually for 12 months.
- Development of multiple supplier relationships for labour and material supplies, with contingency plans should any key supplier fail.
- Build and material cost controls throughout build programmes.
- Adherence to the Prompt Payment Code to support our partners.

Key risk indicators

Customer service, gross and operating margin, PBT, ROCE, EPS, TSR, total home completions.

F Legacy properties

Risk level: H ↑
Velocity: Moderate

Risk appetite: L ↔

Responsibility:
Operations Committee

Risk description

In March 2023 we signed the Self Remediation Terms and Contract with the UK Government to support leaseholders by funding or remediating life-critical fire safety works in buildings of over 11 metres which we have played a role in developing over the last 30 years. The amounts provided in the Financial Statements reflect the best estimate of the extent and costs of work required; however, these will be updated as work progresses or as government legislation or regulations develop.

Response/mitigation

- A dedicated Building Safety Unit (BSU) has been set up to manage the remediation work.
- BSU undertakes independent reviews and investigations of legacy buildings.
- BSU Steering Committee meets fortnightly to review ongoing remedial work, investigations and current valuations.
- Assumptions on the estimated financial costs have been tested and challenged robustly.

Key risk indicators

Gross and operating margin, PBT, ROCE, EPS.

Investing in our people

G Safety, health and environment

Risk level: M ↔
Velocity: Moderate

Risk appetite: L ↔

Responsibility:
Safety, Health and Environment Operations Committee

Risk description

Health and safety or environmental incidents or compliance breaches can impact employees, sub-contractors, customers and site visitors, and undermine the creation of a great place to work and visit.

Response/mitigation

- Dedicated internal health and safety team.
- Regular health and safety monitoring, internal and external audits of all operational units, and regular senior management reviews of developments.
- SHE management system that continually reinforces Group SHE policies and procedures.
- Dedicated SHE Board and SHE Operations Committee that review key performance indicators and improvement plans.
- Quarterly performance reviews by divisional management in all operating units.
- Independent external reviews of our SHE processes.

Key risk indicators

Health and safety (SHE) audit compliance.

Risk level/appetite H High risk M Medium risk L Low risk

Change from previous year ↑ Increase ↓ Decrease ↔ No change N New

Risk management continued

Principal risks continued

Investing in our people continued

H Attracting and retaining high-calibre employees

Risk level: M ↓
Velocity: Slow

Risk appetite: L ↓

Responsibility:
Executive Committee

Risk description

Increasing competition for skills may mean we are unable to recruit and/or retain the best people. Having sufficient skilled employees is critical to delivery of the Group's strategy of volume growth whilst maintaining excellence in all of our other strategic priorities.

Response/mitigation

- Comprehensive HR programmes covering apprenticeships, graduate development, succession planning and training academies.
- Personal development plans for all employees.
- Development of a hybrid working model.
- Monitoring of employee turnover, absence statistics and independent feedback from exit interviews.
- Annual employee engagement survey to measure employee satisfaction.
- Remuneration benchmarking against competitors.
- Diversity and Inclusion Strategy and policy.

Key risk indicators

Employee engagement score.

Underlying all priorities

I Information technology

Risk level: M ↔
Velocity: Rapid

Risk appetite: L ↔

Responsibility:
Risk Committee

Risk description

Failure of any of the Group's key systems, particularly those for financial and customer information, surveying and valuation, through a successful cyber attack or lack of investment leading to outdated systems, could restrict operations and disrupt progress in delivering strategic priorities.

Response/mitigation

- Regular external reviews to reduce the risk of successful cyber attacks, including vulnerability and penetration tests by third parties.
- Group-wide compliance and policies on passwords and transferring data to third parties.
- Mandatory information security training programme for all employees.
- Adoption of the recognised NIST control framework.
- Cyber security insurance policy.
- Continued investment in IT infrastructure.
- IT disaster recovery plan.
- Development of critical process business continuity plans.

Key risk indicators

Customer service, gross and operating margin, PBT, ROCE, EPS.

J Environmental, social and governance

Risk level: M ↔
Velocity: Moderate

Risk appetite: L ↔

Responsibility:
Sustainability Committee

Risk description

In the short to medium term, if the Group does not further enhance its sustainable business practices to respond to loss of biodiversity, water usage reduction and climate change regulations, as well as meeting its social and governance responsibilities relating to modern slavery and human rights, this will result in a failure to meet customer and investor expectations.

Response/mitigation

- Board Sustainability Committee to oversee the business' response to climate risks.
- Committed to reducing the Group's carbon emissions, including those from its completed homes and supply chain.
- Review of Future Homes Standard, effective in 2025, to adapt and plan for compliance.
- Climate risk and opportunities continually being embedded within everyday business operations.
- Progressed scenario analysis to determine the resilience of the Group's business model under different climate-related scenarios.

Key risk indicators

Carbon intensity, waste intensity, health and safety audits. In line with our sustainability goals on page 48 and 49.

K Business resilience and continuity

Risk level: M ↔
Velocity: Rapid

Risk appetite: M ↔

Responsibility:
Executive Committee

Risk description

Inability to continue the business due to a major unexpected incident or event out of our control, such as a natural disaster, global pandemic or UK epidemic, or disruption to national infrastructure, could cause significant disruption to the Group's business operations, employees, customers, supply chain, or other third party.

Response/mitigation

- Development of business continuity plans for critical business processes.
- Stress-testing of the Group's available financing facilities to ensure resilience to a sudden economic shock.
- Formation of the Business Resilience Steering Group.

Key risk indicators

Total indebtedness/surplus, IT testing, KPS's.

Risk level/appetite H High risk M Medium risk L Low risk

Change from previous year ↑ Increase ↓ Decrease ↔ No change N New

Climate-related risks and opportunities

Leading the industry in response to climate change

Understanding the future

To plan for how the business will operate in a future climate, we must first understand what that future may be. The outcomes from climate change, both the physical impacts and the regulatory response, are uncertain, so we have updated our scenario analysis to understand how each possible outcome will affect our industry, the homes we build and our customers.

See page 88 for our scenario analysis

See page 83 for the most significant risks and opportunities that will arise from these scenarios

This analysis guides our strategy to ensure we continue to provide value to all of our stakeholders in the new trading environment

Guiding our business

Our climate is changing, and so is the world in response. We want to be at the forefront of the UK's climate strategy and make sure our business is well positioned for the future.

Page 80 shows how the response to climate change is governed in our business

Pages 82 to 87 detail how we assess the risks and opportunities that may arise as society and the environment evolve

Aligning our operations to net zero carbon

Our analysis shows that reducing our greenhouse gas emissions is not only important for the planet, but also for protecting the profitability of our business. First, we must lead by example. We are working to better understand our carbon footprint (through the data monitoring improvements highlighted on page 94) and working towards our science-based targets (see page 98).

Our greatest impact, and our greatest opportunity to affect change, is within our supply chain. We are working with our partners to understand and reduce their emissions.

A sustainable business model

The business has a duty to its stakeholders to ensure that it can operate sustainably over the long- term. Our scenario analysis allows us to stress-test the resilience of our business model to climate change.

Page 89 shows the financial effect on the business and on page 90 we conclude that our planning has made us resilient to all outcomes

However, we want to do more and our pathway to transition to a more sustainable business is shown on page 91

Homes for the future

As detailed on page 47, the provision of new homes is essential for the nation to achieve its net zero targets and our customers are increasingly conscious of their energy efficiency and the resilience of the homes they buy to changes in climate. We are meeting these challenges by leading the industry in researching technologies and developing house designs with the future in mind.

Building regulations, Energy House and Zed House – see page 34

Overheating adjustments – see page 47

Local weather adaptation – see page 82

Helping our customers

Families are already feeling the effect of rising energy costs and higher interest rates on mortgages. Energy efficient homes can reduce costs and unlock access to green mortgages for our customers.

Our work with lenders on green mortgage opportunities is discussed on page 31

Our home energy efficiency targets, and progress against them, are on page 47

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Climate-related risks and opportunities continued

CLIMATE GOVERNANCE

Leading the business in its climate response

The Board has ultimate responsibility for overseeing our response to climate change. The Chief Executive is the Board member who holds individual responsibility.

The Sustainability Committee, chaired by the Chief Executive, is the Board sub-committee responsible for debating, reviewing and scrutinising our sustainability and climate change strategy, monitoring its implementation and the approval of plans to mitigate risks and leverage opportunities.

Implementing strategy

The Sustainability Committee approves and oversees initiatives to react to the climate-related risks and opportunities and assists the wider Board in integrating climate thinking into the Group's wider strategy. Actions taken in the year included:

- approval of the net zero transition pathway (page 91);
- oversight of improvements to climate data collection and monitoring (page 98);
- review by the Chief Financial Officer of the climate-related scenario (pages 88 to 89) analysis;
- advising on the appropriate metrics and targets to monitor and drive the achievement of our climate goals; and
- monitoring performance in those metrics (pages 96 to 98).

Other climate-related responsibilities delegated to sub-committees of the Board include:

- design of incentives to achieve our climate targets (Remuneration Committee, page 137);
- SHE-related risk and compliance (SHE Committee, page 133); and
- integrity of disclosure (Audit Committee, page 124).

Remuneration Committee (page 137)

Designs the Group's remuneration policy to incentivise performance against climate-related targets, as detailed on page 96.

Monitors performance against targets and approves remuneration accordingly.

SHE Committee (page 133)

Monitors the effect of climate-related SHE risks, such as the impact of weather patterns on our workforce, and compliance with certain site-based environmental initiatives, such as waste reduction.

Audit Committee (page 124)

Monitors the integrity of climate-related disclosures and data reporting through internal and external assurance of the reporting of climate-related metrics and ensures compliance with external climate-related reporting requirements.

Risk Committee

Evaluates the Group's internal control policies and procedures over the identification, assessment, and reporting of climate-related risks.

Reviews the Group's overall risk profile, examining climate-related risks in the context of the Group's other principal risks and its significance to strategy.

The structure of the Group's governance is shown in detail on page 114.

Staying informed

Climate understanding and the world's response to it continue to evolve. To ensure that the Group's short-, medium-, and long-term strategies are responsive to climate change risks, the sub-committee aims to stay up to date with evolving climate change developments. During the year, the Sustainability Committee received the following updates relating to climate change:

- The Chair of the Energy Transitions Commission delivered a presentation on environmental economics, the potential impact of carbon pricing, and the difficulties in transition to net zero for hard to abate sectors.
- The Group Sustainability team took the committee through a number of working sessions advising on the available approaches to managing the Group's emissions. This included analyses of various elements of the net zero transition pathway, international best practice examples, internal carbon pricing and carbon offsetting.

The Committee also continues to be attended by an independent expert. During the climate risk assessment process, and on an ongoing basis through the Sustainable Operations Group, senior management also receive updates on the current and emerging climate understanding to ensure the organisation is well briefed when developing responses to climate challenges.

Taskforce for Climate-related Financial Disclosures (TCFD)

The Group aims to be the leading national sustainable housebuilder and our TCFD programme is a reflection of that intent.

Our strategy and approach to risk management includes scenario analyses and assessing the potential financial impacts of climate change risks and opportunities on the business. As we have worked through our assessment, the Group has used internal subject matter experts, as well as external advisers to support robust and thorough analysis. Our established targets and metrics are shown in this report, though we expect these to continue to develop over time as our understanding of climate change risk evolves.

TCFD area	Page reference to content
Governance	42
Strategy	90
Risk management	82
Metrics and targets	96

The Company can state that in accordance with Listing Rule 9.8.6 R, these Annual Report and Accounts include climate-related financial disclosures consistent with 11 out of 11 TCFD recommendations and recommended disclosures.

Assurance

Deloitte has provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over the TCFD on pages 80 to 98 and selected metrics on page 96. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found at www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications.

Climate-related risks and opportunities continued

CLIMATE RISK MANAGEMENT

The outcome of climate change is uncertain and will depend on the world's success in limiting the rise in global temperatures, as well as the specific regulatory responses where we and our supply chain operate. The effects will be wide ranging, including the physical impacts of new weather patterns (physical risks) and the regulatory, social, and economic effects of transitioning to a low carbon economy (transition risks). Opportunities may also arise as the country looks to industry leaders to drive sustainable developments and provide homes fit for the future.

As the climate changes, Barratt will need to adapt to ensure we can continue to deliver the homes our customers need within the changing environment. These changes offer both opportunities and risks to Barratt, which overall the Group identifies as a principal risk built into its risk management process detailed on page 83.

Climate-related risks relevant to each region or function are considered in individual bottom-up risk assessments. These include climate-related legislation or regulations that are applicable to their field, for example the Future Homes Standard for building regulations.

In addition, all climate risks and opportunities are considered together as part of the assessment of Group-level risks. A review of all the potential effects of climate outcomes on our business requires an understanding of the climate predictions and the collective knowledge of our business experts. We therefore undertake a thorough annual risk and opportunities assessment in addition to our risk management process, as detailed here:

Climate risk and opportunities assessment process

Identify
We identify the possible outcomes of climate change by considering varying levels of global response and resultant change in weather patterns. The scenarios considered are shown on page 83.

Consider Impact
The possible climate outcomes are shared with business leaders and local management, who are asked to consider the impact of these circumstances on the business. All risks are included in a climate risk register.

Review
The risks and opportunities identified are discussed in workshops of internal subject matter experts, local and Group senior management and external climate experts, using the benefit of our housebuilding experience to determine which risks and opportunities are most likely to manifest and have the highest potential impact. In FY23 we were able to call upon the strategic land expertise of Gladman for the first time.

The most relevant risks and opportunities are listed on pages 84 to 87. These are reported to the Risk Committee.

Highest potential impact risks and opportunities

After further consultation with business experts, we identify the underlying data and assumptions required to estimate the financial impact of the risks and opportunities.

We estimate the unmitigated financial impact under each climate outcome in the short, medium and long term. The financial effects are considered individually and in aggregate through our climate-related risk & opportunities register and scenario analysis on pages 84 to 87 and 89 respectively.

Emerging risks and opportunities

Low impact risks and opportunities are subject to a high-level assessment to consider those that should be subject to future monitoring.

External experts are also engaged to highlight any emerging risks that have not been identified, including any new or potential regulations.

We consider whether any should be subject to detailed modelling in the next cycle.

The results of the risk assessment are reviewed by senior management and the Sustainability Committee to inform Group strategy going forward, as detailed on page 90.

Risk assessment criteria

The likelihood and potential impact of each risk are rated in line with the Group's risk assessment process, shown in the Risk assessment criteria table on pages 84 to 87.

The impact assessment reflects the estimated profit impact of a risk/opportunity within the financial year and climate scenario in which the financial impact is likely to be most severe. Where the profit impact of a long-term obligation would be recognised up front, the financial impact is spread over the period that it will be realised for this purpose. Our definition of a substantial financial impact of over £50m is within the range set by our statutory auditor over recent years for Group financial materiality.

This assessment considers short-term (2025), medium-term (2030), and long-term (2040-2050) time horizons. This range of time horizons considers a longer period than our usual operational cycle and has been selected to align to our existing science-based emissions reduction targets, whilst capturing transitional and physical risks that manifest over the longer term. The short-term timeframe aligns with our owned land bank, while the medium- to long-term encompasses our strategic land options and promotion agreements.

Risk assessment timeframes

Short term
Medium term
Long term

2023

2025
Scope 1&2 SBTi
Future Homes Standard

2030
Scope 3 SBTi
Barratt zero carbon home targets
Barratt target to achieve net zero by 2040

2050
Paris Agreement and UK target for net zero

Climate outcome scenarios

The potential climate outcomes considered this year when reviewing climate risks and opportunities ranged from a sustainable transition scenario that limits global warming to 1.5°C, to an adaptation scenario where emissions continue on the current pathway, which leads to around 4°C warming, such that they cover both high physical and high transition risks. Qualitative assessments for each of these climate scenarios are outlined below. Together with the quantitative analyses summarised on page 89, these narratives provide a holistic view on the potential impacts to Barratt in each of these climate outcomes.

1.5°C Sustainable transition	2.0°C Disorderly transition	4.0°C Adaptation
We have used the IEA's "Net Zero Emissions by 2050" (NZE2050) to model a long-term orderly transition to a low carbon economy occurring over the long term as sufficient regulatory action is taken to limit the global temperature rise to the Paris goal of 1.5°C by 2100, resulting in significant transition risks, while minimising physical risks.	We have developed a bespoke scenario, adjusting IEA's "Net Zero Emissions by 2050" model such that it reflects a disorderly transition, whereby limited regulation is in place until 2030, requiring extreme policies to be introduced from this date to limit warming to 2°C by 2100. This sudden, disorderly transition to a low carbon economy, occurring over the medium term, results in maximum transition risk, while limiting physical risks to a low level.	Global policy shifts away from prevention and towards adapting to a new climate, leading to a global temperature rise of 4°C by 2100, giving rise to maximum physical risks.
Velocity of regulatory environment		
Significant Increasingly stringent building regulations go beyond the Future Homes Standard, placing greater emphasis on reducing embodied carbon and resource intensity within the home. Additionally, local planning authorities increasingly require developments to exceed building regulations, placing greater emphasis on sustainable communities.	**Delayed then significant** The Future Homes Standard is introduced as planned, but building and planning regulations steeply increase sustainability requirements from 2030.	**Low** While regulations such as the Future Homes Standard still come in as planned, the demand for sustainable developments from planning authorities eases and carbon pricing reduces.
Customer engagement with climate action		
Proactive There is increased customer demand for green homes, which is supported by the availability of green mortgage products, enabling customers to benefit from the improved affordability of energy efficient new homes.	**Reactive** Until 2030 customer demand and the availability of green finance for low carbon homes remain at current levels, but these also increase sharply from 2030 onwards.	**Inactive** Consumers typically continue to lead energy intensive lifestyles with little demand for resource efficiency measures in new homes.
Supply chain engagement with climate		
Proactive The transition to net zero is supported by supply chains, which offer innovative low carbon solutions, encouraged by high carbon prices associated with carbon intensive materials/processes. Technological progress is fast, though may require additional upskilling for employees and sub-contractors.	**Reactive** To discourage the use of high carbon materials, significant increases in carbon prices are implemented from 2030 onwards. Similarly, the increased demand for sustainable materials and technologies also drive steep increases in costs from 2030.	**Inactive** Supply chain action to reduce emissions is minimal, with limited innovation in low carbon alternatives to existing materials. Global supply chains are also susceptible to severe weather resulting in risk of delays, as well as indirectly driving up prices as demand for raw materials increases from less affected areas.
Physical impact		
Low The impacts of physical risks such as overheating and flooding continue at manageable levels, with existing/planned regulation and planning requirements sufficient to manage these impacts.	**Low** The impacts of physical risks such as overheating and flooding continue at manageable levels, with existing/planned regulation and planning requirements sufficient to manage these impacts.	**High** Increased frequency of severe weather leads to increased disruption on site, giving rise to risk of damage as well as delays. Increased risks of flooding and water scarcity drive up demand for land in relatively less affected areas of the UK, raising land prices in these areas. Additional cooling solutions are required in homes at risk of overheating in the worst affected areas.

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Climate-related risks and opportunities continued

Scenario sensitivity key

Low

High

CLIMATE-RELATED RISKS AND OPPORTUNITIES

	Risk rating	Maximum unmitigated Financial Statements impact	Timeframe: Short	Timeframe: Medium	Timeframe: Long	Scenario sensitivity	Our ongoing response
Transition risks							
Housing regulations Changes to house specifications required due to Government legislation designed to reduce home emissions, for example the Future Homes Standard, including varying standards across the UK.	H	Increased build cost of sales by £5m-£205m				Sustainable transition Disorderly transition Adaptation	We continue to engage Government at ministerial level on a range of critical sustainability issues, as well as directly with relevant senior officials, via the UK Net Zero Buildings Council. We also support the Net Zero All Party Parliamentary Group and input into conversations around supply chain challenges to meet future energy demand for energy efficiency measures.
Carbon pricing Increasing material and sub-contractor costs due to Government legislation designed to reduce emissions, for example carbon taxation on suppliers/increased demand for low-carbon materials.	H	Increased build cost of sales by £50m-£620m				Sustainable transition Disorderly transition Adaptation	We were the first national housebuilder to implement science-based targets for our scope 1 and 2 and scope 3 emissions, allowing us to take a leadership role in driving down emissions. We have commissioned a carbon price exposure analysis to establish its potential impact and have identified opportunities for mitigation through our net zero transition pathway on page 91.
New technologies Implementation of new technologies in homes and new methods of construction, requiring high capital investment and upskilling of labour.	H	Increased build cost of sales by £10m-£30m				Sustainable transition Disorderly transition Adaptation	Through market research, product testing, university and research partnership, prototype test houses, and grant endorsed trials, we examine low carbon products, systems and processes for our housing types. We have accelerated these programmes through the Zed House and Energy House 2.0 to ensure a full view of available technology.
Planning requirements Increasing planning or site infrastructure requirements from Government and local authorities result in reduced viability of land in certain regions.	H	Increased build cost of sales by £25m-£75m				Sustainable transition Disorderly transition Adaptation	Our specialised divisional land teams, as well as the Gladman team, possess extensive local knowledge and strong relationships with landowners which are vital to ensure we remain the developer of choice. To support further engagement and ensure our sustainability credentials are recognised when we bid for land, we have developed a sustainability toolkit for use by our land and planning teams. This includes detailed information on our approach to the Future Homes Standard, zero carbon homes, biodiversity and socio-economic outcomes.
Water scarcity Increased water scarcity in areas of proposed developments leading to a lack of consistent water supply for new homes.	M	Increased build cost of sales by up to £5m				Sustainable transition Disorderly transition Adaptation	We are aware of the growing significance of water scarcity in the UK, which has resulted in a new climate-related risk. We are constantly communicating internally with our innovation, utilities and infrastructure teams performing water scarcity scenario analysis on land and regions that will be affected across the UK. Water recovery systems and net water consumption are important mitigating variables in our response.

Risk level /appetite H High risk M Medium risk L Low risk

Climate-related risks and opportunities continued

Scenario sensitivity key
Low
High

CLIMATE-RELATED RISKS AND OPPORTUNITIES continued

	Risk rating	Maximum unmitigated Financial Statements impact	Timeframe: Short	Timeframe: Medium	Timeframe: Long	Scenario sensitivity	Our ongoing response
Physical risks							
Overheating in homes Changes to house specifications required to mitigate long-term shift in climate patterns, such as prolonged increased temperatures in summer.	L	Increased build cost of sales by up to £35m			■	Sustainable transition Disorderly transition Adaptation	Barratt has created an industry-leading project that will test the effects of climate change and look at ways that the homes of the future can withstand more extreme weather conditions. Known as Energy House 2.0, the specially-built climate chamber recreates temperatures ranging from -20°C to +40°C, as well as simulating wind, rain, snow and solar radiation. This research will inform us of how various overheating adaptation technologies perform.
Flood mitigation New site infrastructure required to mitigate extreme weather events, for example flood barriers and balancing ponds.	M	Increased build cost of sales by up to £5m		■	■	Sustainable transition Disorderly transition Adaptation	Flood risk assessments are a key part of our land appraisals. We are proactively mitigating this risk through ongoing programmes of work, continual horizon scanning and engaging with key stakeholders to conduct extensive research through highly skilled internal and external experts.
Weather disruption Disruption to build activity due to increased frequency of severe weather, being heat, cold or precipitation, or damage to construction sites from extreme weather events.	L	Increased build cost of sales and decreased revenue by up to £5m	■	■	■	Sustainable transition Disorderly transition Adaptation	We closely monitor weather forecasts to ensure worker safety and prepare or adjust build schedules as appropriate. A crisis management plan is in place for extreme weather events. Modern Methods of Construction (MMC), such as timber frame, allow for parts of the construction process to occur offsite, increasing build speed and reducing exposure to the elements before it is sealed. Mitigation is largely through MMC, building efficiency and supply chain engagement.
Supply availability Reduced supply availability (for instance timber) as a consequence of long-term shift in climate patterns and extreme weather events (e.g. wildfires, flooding) where the supply is sourced.	L	Increased build cost of sales by up to £5m	■	■	■	Sustainable transition Disorderly transition Adaptation	We regularly engage with our suppliers on availability of materials and sustainable sourcing both directly and through our Supply Chain Sustainability School. We purchase 99.84% of our timber from FSC or PEFC certified sources and consider supply sustainability at tender and contract renewal stage. The management of sustainability and climate change risks and opportunities in the supply chain is intrinsic to our operations and procurement framework.
Opportunities							
Demand for and affordability of green homes Eligibility for green mortgages and cost savings from energy efficiency allow for a premium to be charged on new homes.	H	Increased revenues by £30m-£320m	■	■	■	Sustainable transition Disorderly transition Adaptation	We are working directly with mortgage lenders to develop enhanced mortgage products that recognise the advantages of our new build homes. During FY23, we collaborated with The Leeds Building Society to support the launch of a new green mortgage product which recognised the advantages inherent in our new homes and has the potential to unlock up to a 10% uplift in lending. Moreover, through Government engagement and notably through the Future Homes Hub, Barratt's Head of Mortgage Lender Relations chairs the "Valuation Group", which is considering how the value of sustainable benefits of new homes can be recognised in the mortgage valuation process.
Green developments Increased land buying and local partnership opportunities through strong low-carbon credentials and offer of low-carbon developments, for instance partnering with councils to deliver low carbon homes.	H	Decreased land cost of sales by £30m-£70m		■	■	Sustainable transition Disorderly transition Adaptation	We engage with landowners regularly via our land and planning and dedicated public land function. In the past year, we have seen increased direct engagement with landowners on sustainability, with the Group Sustainability Director attending three presentations with national and regional landowners to spotlight on sustainability.
Cost of capital Barratt's sustainability performance opens green financing opportunities, providing access to lower interest rates.	L	Decreased finance costs by up to £2m	■	■	■	Sustainable transition Disorderly transition Adaptation	Within our Building Sustainably Framework, we outline our commitment to "unlocking green lending and finance", including "exploring the potential of new green finance products for our business". We have linked our Revolving Credit Facility (RCF) to sustainability performance through a sustainability-linked loan mechanism – see page 45.
Sustainable practices Proactive adoption of low-emission materials and processes, ahead of regulation, provides a cost advantage and improves reputation.	L	Decreased build cost of sales by up to £10m		■	■	Sustainable transition Disorderly transition Adaptation	We previously conducted detailed comparative studies of timber waste in partnership with our timber frame company, Oregon Timber Frame and other key suppliers. This involved a close examination of the origin of the waste created in the building lifecycle, the type of waste and wood type.

Risk level /appetite H High risk M Medium risk L Low risk

Climate-related risks and opportunities continued

CLIMATE SCENARIO ANALYSIS

Modelling methodology

The Group's extended forecasts (as considered in its viability review and impairment assessments) are based on the International Energy Agency's "Stated Policies" model, whereby global climate commitments are met in full and on time, leading to a global temperature rise of 2.7°C by 2100, giving rise to both physical and transition risks. For the UK, this includes the Ten Point Plan, the 2020 Energy White Paper and achievement of the 2021 net zero transition targets. This forms the basis of our financial planning, as discussed on page 82.

We conducted an assessment of climate-related risks by analysing a sample of our existing land bank and supply chain sites. We utilised local climate data, obtained at a resolution of $90m^2$, based on the latest IPCC CMIP6 global climate models. This enabled us to project potential impacts under each of our time horizons and climate scenarios (defined on pages 82 and 83 respectively), considering indicators such as cold, flood, heat, precipitation, and wind.

The projections obtained were utilised to evaluate the potential unmitigated impact on our divisions and supply chain under each climate scenario. We considered the specific vulnerabilities and risks associated with our business model, including the capacity to pass on industry-wide development costs to land vendors. As such, we assumed that the land price paid for a site could be reduced up to the extent it remained above the price that a landowner could achieve for an alternative use, assumed to be the land cost per acre for industrial use, as estimated by the Valuation Office Agency.

This comprehensive assessment provides us with valuable insights into the potential risks and impacts that our divisions and supply chain may face due to climate change. By integrating this information into our strategic decision-making processes, we are better positioned to address climate-related risks and identify opportunities for sustainable development. The unmitigated financial impact and scenario sensitivities for each of the key climate-related risk and opportunities are presented in the risk table on page 84.

While quantitative climate scenario analysis is a valuable risk management tool, to ensure a comprehensive understanding of climate-related risks and opportunities, we have complemented quantitative analysis with qualitative assessments of each climate scenario. Page 83 provides an overview of the wider impact of each scenario.

Next steps

Physical risks in the wider supply chain

The Group currently considers the impact of climate change on supply chain disruption in timber. However, working with others, we are investigating the potential physical impact of climate change on our supply chain, expanding our existing coverage to other key materials. The findings of this assessment are expected to be shared later in FY24.

Standing water flooding

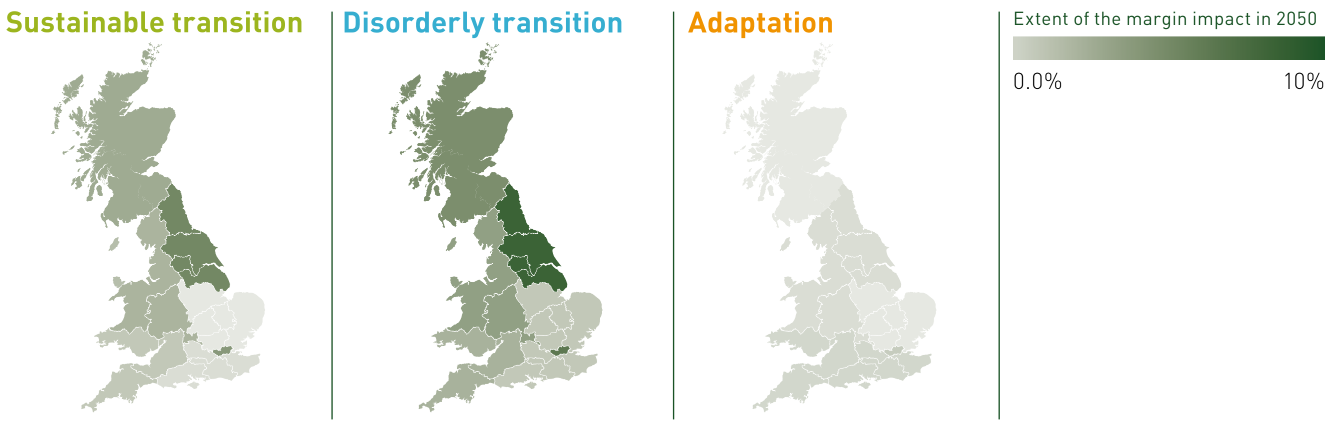
The Group's current assessment of physical risk considers potential increases in both river and coastal flooding at a development level. However, at the time of modelling, projections for standing water flooding to the required granularity were not available. These projections are expected to be available for FY24, allowing the Group to update its viability assessment. This will allow the Group to ensure its current flood risk assessment procedures will remain appropriate in the medium and long-term.

Land viability

The variance maps below illustrate our assumed ability to pass climate-related costs onto land vendors through land prices. Under the "Adaptation" scenario, our limited exposure to transition risk and proactive measures to minimise physical risk suggest that land viability would not be significantly impacted within the modelled timeframes.

However, the maps for the "Sustainable transition" and "Disorderly transition" scenarios highlight regions, such as the North East, where residential land prices are less resilient. Without taking action to reduce our exposure to transition risks, we may face limitations in passing through land costs in these areas, which could potentially result in lower margins. It is important to note that this assessment does not account for any mitigating actions or consider the impact of the UK Government's "levelling up" agenda.

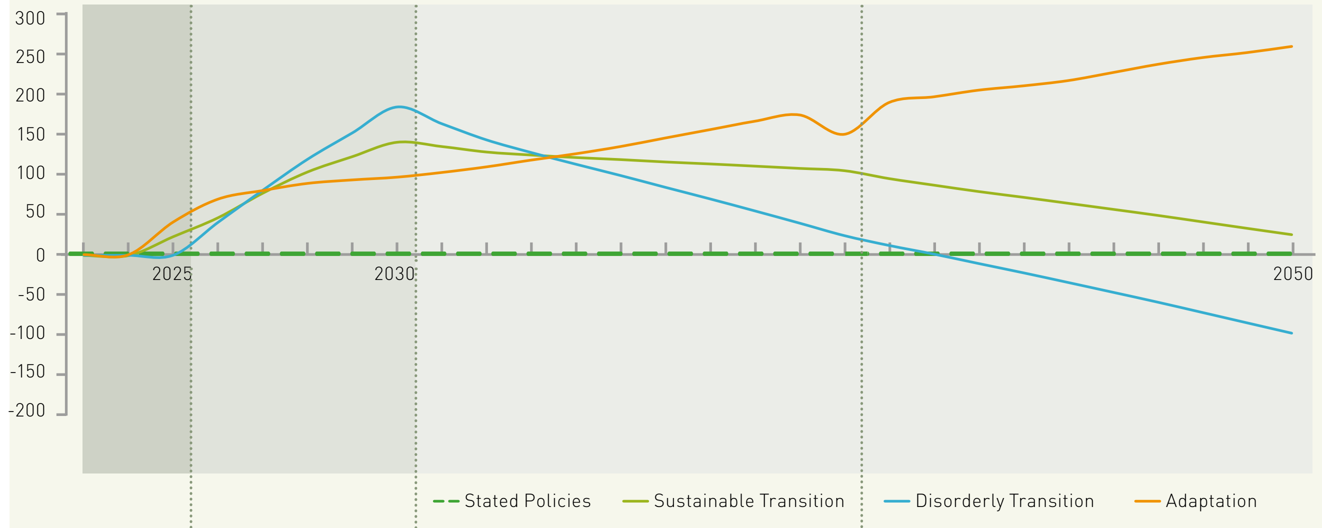
Regional maps by scenario showing trading margin impact



Overall financial impact

Variance in profit before tax between climate scenarios and Stated Policies

The below chart illustrates our best endeavour estimates of the potential unmitigated variance to profit before tax under each climate scenario compared to the "Stated Policies" baseline. See the risk table on page 84 for detail of our responses to each climate-related risk, which will improve financial performance.



	Short term (to 2025)	Medium term (2025 to 2030)	Long term (2030 to 2050)
Sustainable Transition	Carbon prices increase in line with current policy commitments. Slow uptake of green mortgage products.	FHS is introduced from 2025 as planned. Carbon pricing increases from $90/$ tCO_2e to $140/$tCO_2e$. Increased take-up of green mortgages. Land acquisitions are increasingly conditional on enhanced sustainability credentials. Industry-wide costs start to be reflected in the land bidding process.	Additional building regulations introduced from 2030 onwards. Increased demand for sustainability and smart technologies in homes. Carbon pricing increase steadily to $250/$tCO_2e$ by 2050. Majority of mortgage sales use green mortgages. Land acquisitions are increasingly conditional on enhanced sustainability credentials.
Disorderly Transition	Carbon prices increase in line with current policy commitments. Minimal uptake of green mortgages.	FHS is introduced from 2025 as planned, with additional building regulations introduced in 2030. Carbon pricing increases from $87/$tCO_2e$ to $135/$tCO_2e$. Majority of mortgage sales use green mortgages. Land acquisitions are increasingly conditional on enhanced sustainability credentials. Industry-wide costs start to be reflected in the land bidding process.	Further building regulations are introduced from 2040. Increased demand for sustainability and smart technologies in homes. Carbon pricing continues to increase sharply to $291/$tCO_2e$ by 2050. Land acquisitions are increasingly conditional on enhanced sustainability credentials.
Adaptation	Carbon prices rises are significantly lower than current policy commitments. Limited opportunities.	Carbon prices decrease significantly to below 2023 levels. Limited financial impact of physical risks, due to proactive mitigations currently in place.	Impact of severe weather intensification outweighed by reduced carbon pricing and regulatory requirements. One off costs associated with additional mitigation measures. Increased investment in flood defences in certain regions.

Climate-related risks and opportunities continued

WHAT IT MEANS

Strategic impact

Our analysis indicates that whilst climate change will come at a cost under all scenarios and timeframes, our business model is expected to remain profitable in each case. This holds true even when assuming we take no additional mitigating actions beyond those already incorporated into our business plan.

While undesirable, the adaptation scenario is shown to have the lowest financial impact on the Group. The physical impacts of climate change on the Group are manageable, testament to the proactive measures we are already taking such as design changes to prevent overheating, and conducting flood risk assessments prior to bidding for land.

A sustainable transition, though better for the climate, brings higher transition costs. However, due to its potential opportunities, this scenario is likely to be more advantageous than if climate policies continue as currently planned.

Due to its disruptive nature, the Group faces its greatest impact under a disorderly transition, particularly through steep carbon pricing hikes from 2030 onwards. However, our analysis indicates our business remains profitable even under this worst-case scenario.

In order to be best positioned to thrive in whichever climate scenario we face, this analysis highlights key areas in which we must continue to progress.

Given our supply chain accounts for 67% of our value chain emissions (see pages 92 to 93 for more detail), the Group's greatest exposure to climate-related risk is through rising carbon prices. It is imperative for us to work with our supply chain to reduce embodied carbon in the materials and services we procure, mitigating the impact of carbon prices. See detail on our progress to date in our transition pathway on page 91.

Increasingly stringent building regulations associated with reducing emissions and improving resilience to rising temperatures is another key risk, which will require us to update home designs and construction techniques. Examples of how we are responding to this risk are showcased in our concept eHome2 on page 34 and detail of how we are adapting house designs is provided on page 34.

Recent rises in energy costs and the increasing importance of sustainable living to our customers mean that we must leverage our sustainability expertise to provide energy-efficient homes on green developments at affordable prices. We are proactively promoting green mortgages with our lender partners to ensure that mortgage terms reflect the energy savings from living in our homes (see page 31).

In order to monitor and assess progress towards reducing our exposure to climate-related risks and maximising our opportunities we have identified several metrics and targets, detailed on page 96.

Impact on the Financial Statements

Our scenario analysis shows that the financial impact of climate change will increase over time as physical changes or transitionary regulation intensify. Its financial relevance is not limited to the future; climate change is already a factor in our financial planning and our future forecast, both of which affect the financial information we are reporting today.

The Group operates under a three-year forecasting cycle. All known material climate-related impacts are factored into the forecast and site-specific climate considerations are reflected in our assessments of site profitability.

In preparing the Financial Statements for the year, the financial impact of climate change has been reflected as follows:

Going concern and long-term viability

In preparing these Annual Report and Accounts, we must assess whether there are any material uncertainties over the ability of the business to continue to operate as a going concern (see note 1 to the Financial Statements on page 188. We must also assess the prospects of the business over the longer term for disclosure in our Viability Statement (see page 99).

To do this, we stress-tested our financial forecasts for the impact of our principal risks manifesting to a severe but plausible level over the three-year period to 30 June 2026. As part of this, we assumed that the Group would experience climate-related transition risk in line with the Sustainable transition scenario, including the effects of the Future Homes Standard and carbon pricing. It was determined that, even when climate risk manifests alongside our other high-impact principal risks, the Group remains able to meet its commitments and continue trading over the review period.

Site profitability

The expected costs of compliance with Parts F and L of the Building Regulations, applicable from 15 June 2022, and design changes required to mitigate overheating in homes have been factored into the estimated costs to complete of developments in line with the accounting policy described in note 3 to the Financial Statements on page 191. These costs are reflected in the carrying values of inventories and the margins recognised for developments for which future completions will be affected.

Land acquisitions

The Group uses the latest flood risk assessments when reviewing potential land acquisitions or options for strategic sites. If any sites require additional flooding mitigation, this is factored into our viability assessments, tender offers and forecast margins for those sites.

The carrying value of land and work in progress is assessed at the year end as described in note 16 to the Financial Statements on page 207. Our assessment of changes in flood risk under our climate scenarios has not identified any sites within our current portfolio for which the cost of enhanced flood defences would result in an impairment.

Goodwill and intangible assets

Each year, we review the carrying value of goodwill and intangible assets with an indefinite useful life held on the balance sheet. To do this, we calculate the present value of forecast future cash flows, as described in note 10 to the Financial Statements on page 200. The cash flows forecast for years three to five reflect the likely outcome of announced policies, as modelled in the Group's climate scenario analysis for FY25, and extrapolated to perpetuity, thereby reflecting the short to medium-term effect of climate change in the valuation.

TRANSITION PATHWAY

99% of our value chain emissions arise upstream and downstream of our operations. We have a science-based target to reduce our scope 3 emissions intensity by 24% by 2030 compared to 2018 levels and an ambition to be net zero across our full value chain by 2040.

Our carbon transition programme is fundamental to achieving this ambition. The programme describes the co-ordinated activity designed to ensure we achieve our targets and how we see our business decarbonising over time.

Achieving our targets will greatly reduce our exposure to climate-related risks in high-transition-risk scenarios and maximise our potential to take advantage of climate-related opportunities. Reducing both direct and indirect emissions will minimise our exposure to the potentially significant carbon pricing increases that are anticipated if global temperature rises are to be limited to sustainable levels.

For a further breakdown of our greenhouse gas emissions and commentary of performance in the year see page 97.

Our direct operations

We are empowering divisional teams to understand and take action to reduce their carbon emissions. See page 98 for detail on how we are using carbon and energy dashboards to achieve this.

To date this has contributed to the reduction of 23.7% of our absolute scope 1 and 2 emissions since 2018, against a target of 29%. Whilst our direct operations represent only 1% of our full value chain emissions, we continue to show sector leadership in driving emissions reductions through efficiency programmes and the targeting of lower emission energy sources.

HVO is synthesised from 100% renewable materials such as vegetable and animal oils, reducing net greenhouse gas emissions by up to 90%. Our decision to expand its use followed a comprehensive best practice review, covering environmental, social and ethical impacts, and a detailed viability assessment as an alternative to conventional diesel. Our rigorous due diligence includes sourcing from ISCC-certified waste palm oil as well as RFAS-verified feedstocks, ensuring best practices. We remain vigilant, continuously monitoring complex supply chains for emerging sourcing risks to adjust our HVO purchasing strategy accordingly.

70%
of telehandlers with Stage V engines at 30 June

Ensuring all plant on Barratt sites is the most fuel efficient we can obtain. We lease construction machinery (telehandlers) with the latest energy efficient diesel engines, upgraded as leases are renewed; and monitor telehandler usage to prevent idling and to promote efficient use.

87%
of electricity on REGO-backed renewable tariffs

Connecting sites to the grid using renewable electricity contracts, and where diesel generators are unavoidable, reducing the amount of time these are used on sites; and continuing to apply best practice energy efficiency at plots, show homes and offices.

16%
of total site fuel consumed was HVO

Expanding the use of HVO (Hydrotreated Vegetable Oil) in our on-site plant as part of the transition to alternatives such as the use of electric plant.

32%
of generators were hybrids at 30 June

In trials conducted by Barratt, using hybrid generators was found to save over 20% of fuel compared to a conventional generator.

66%
of company car fleet vehicles were EVs or plug-in hybrids at 30 June

We have a target in place for 100% of company car fleet free of diesel and petrol cars by 2030 with no further diesel cars offered from the end of June 2022 and no petrol cars offered from end of June 2024. By 2028, owing to the natural cycle of fleet replacement, there will be no petrol fleet cars at Barratt.

For a detailed overview of our scope 1 and 2 decarbonisation programme see our website.

Climate-related risks and opportunities continued

TRANSITION PATHWAY continued

Decarbonising the value chain

With scope 3 emissions representing 99% of our value chain emissions, the key to finding solutions is through genuine collaboration and the sharing of knowledge and insights between us and our suppliers, as well as sector-wide groups we lead or participate in. Alignment with the Future Homes Standard will play a significant role in decarbonising our downstream emissions and the choices that the Group can make in respect of materials choices (see page 34) for detail sustainable homes of the future case study.

We have analysed our full value chain and developed a transition pathway. However, we recognise there are uncertainties around reductions of scope 3 emissions including: measurement of supply chain emissions, sectoral commitments, national policy, and technological advancements.

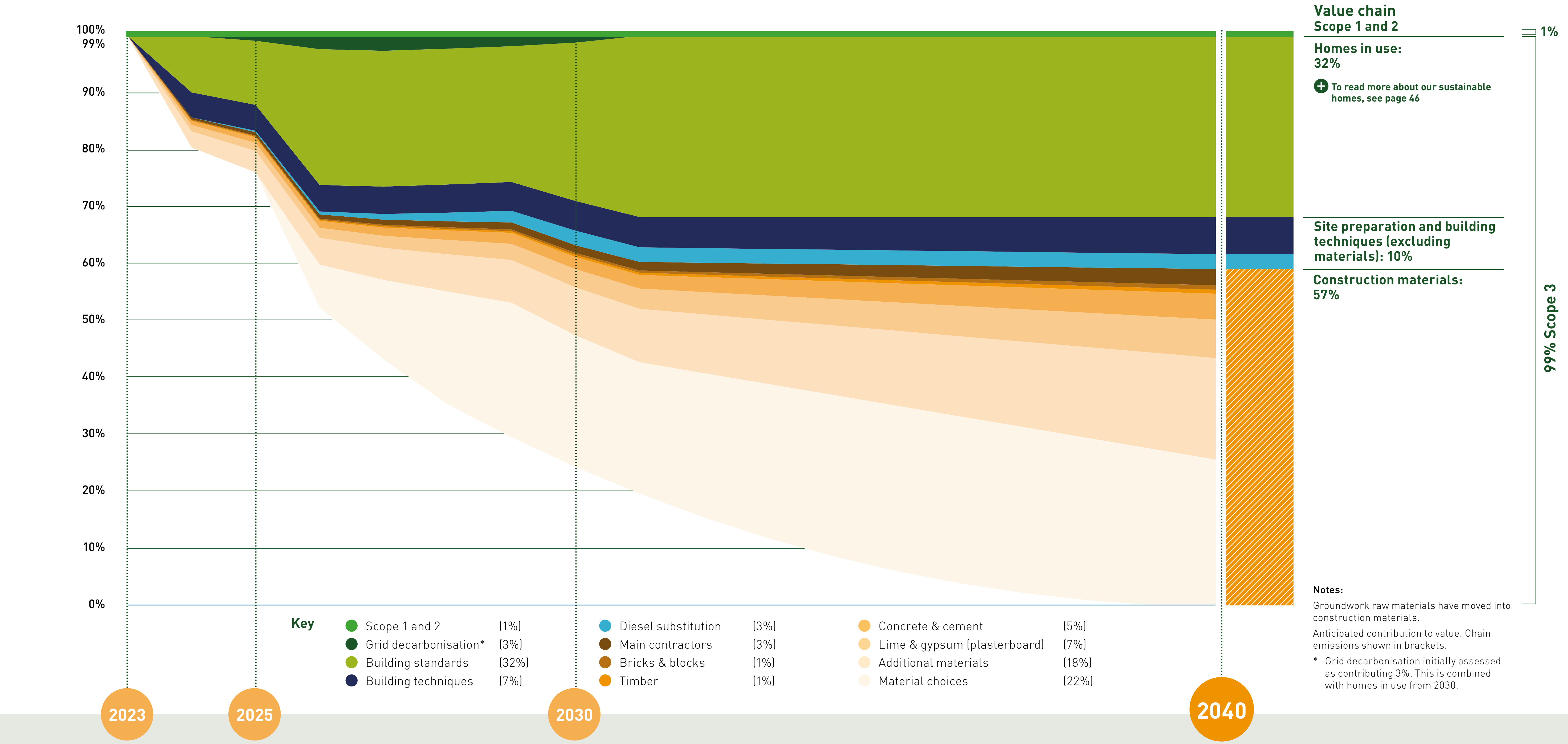
Going forward, we will continue to work through these issues with our partners and will update our transition pathway as needed. Future work will be underpinned by the ongoing development of models and tools that allow us to continue to factor in underlying assumptions such as sector decarbonisation, identification of priority initiatives for action, and increasing direct measurement of supply chain partners emissions.

Value Chain – assessing our impacts

We have assessed and reported our value chain impacts using the Environmentally Extended Input Output Methodology (EEIO), which is recognised in the Greenhouse Gas Protocol technical guidance for calculating scope 3 emissions published by the World Resources Institute and the World Business Council for Sustainable Development. EEIO is based on the amount spent on products and services, multiplying this by a greenhouse gas factor for each individual product or service. For more detail on our methodology, please refer to our website www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications.

We currently use EEIO (as above) but recognise the opportunity to improve on the accuracy of this and have over the last two years developed a programme to begin the transition to a hybrid methodology to determine our scope 3 emissions. We're making good progress – to date, we have engaged with 11 subcontractors and 20 suppliers covering groundworks and several of the critical sectors referred to in the table below, representing an estimated 20% of our total value chain emissions.

We also recognise the importance of national policy on our decarbonisation pathway for example we currently assume a proportion of our reductions will come from the decarbonisation of the grid. We therefore engage with central government on a regular basis to share our insights (see page 64).



Notes:

Groundwork raw materials have moved into construction materials.

Anticipated contribution to value. Chain emissions shown in brackets.

* Grid decarbonisation initially assessed as contributing 3%. This is combined with homes in use from 2030.

Climate-related risks and opportunities continued

TRANSITION PATHWAY continued

Improving supply chain data and information

During the year we have continued to collaborate with our supply chain to improve the quality of specific supplier emissions data so that we can capture our scope 3 performance more accurately. This has allowed us to develop a greater understanding of supplier carbon reduction strategies, which is proving invaluable in driving action where it is needed most.

A key area of focus going forward is therefore to drive a more granular understanding of our supply chain emissions, using data collected directly from our partners.

Our analysis to date gives us a clear view of where we need to focus our efforts: 75% of supplier-related emissions in our value chain arise from around 70 suppliers; whilst 50% of subcontractor-related emissions are estimated to arise from a similar number.

The contribution of key sectors to the Group transition pathway

We recognise that some partners in our value chain, by the very nature of the products they manufacture, have higher emissions associated with their activities. The decarbonisation of these critical sectors is a fundamental part of our carbon reduction pathway for scope 3. During the year we therefore analysed the wider commitments of relevant sectors, to identify specific activities our own transition pathway is reliant on and to facilitate a more direct engagement programme in the coming years. This will allow us to track and monitor the most important emissions pathways, and to encourage action where needed.

Grid decarbonisation

The UK government has committed to a decarbonised grid by 2035. This, tied in with future building standards, the cessation of gas boilers in new homes, and the Group having homes that can be zero carbon in use from 2030 would see a significant reduction in our downstream carbon emissions. This would require government to deliver on its goals by deploying sufficient solar and wind, along with other low or zero carbon energy sources, and driving overall grid efficiencies.

Supply Shocks and Uncertainties

Recent significant events such as the arrival of COVID-19 or the invasion of Ukraine have been of macroeconomic significance and had a significant impact on supply chains globally, with the Group seeing rapid inflation in the price of materials and the cost of energy for example. Due to the spend-based nature of the EEIO methodology, this naturally has an impact on the calculated size of our value chain emissions and is another driver for moving to a hybrid model incorporating direct measurement.

Agile management of our transition pathway will be vital in the coming years to allow us to respond to supply shocks and balance out shortfalls in one area with additional reductions driven through other sectors.

Future home standards (FHS) and building techniques

From 2025, the FHS will require new homes to produce at least 75% less carbon emissions from homes compared with 2013 building regulations. This contributes a reduction of around a third of total value chain emissions from 2030 because of the stringent energy efficiency requirements.

We continually work to improve the energy efficiency of our homes and are adapting our home designs in response to current regulations and the subsequent changes within the Future Homes Standard. In FY23, 99.2% (FY22: 98.8%) of our home completions were EPC rated A or B.

For more detail see pages 46 to 47.

Additionally, a key element to both our MMC and carbon reduction strategy is the delivery of an increased share of timber frame homes. Timber frame provides an efficient method of construction with lower levels of embodied carbon, and we delivered 5,578 homes using MMC equating to 32% of our total home completions (see page 33 for further details).

Alternative fuels during groundworks and site preparation

Our groundworks supplier partners utilise diesel-powered equipment. As with our own approach to plant on site, we anticipate that heavier plant used in site preparation will continue to move to the most efficient engines available, use HVO as a transition fuel in the short term, and, over the longer term beyond 2030, move to the use of batteries. Beyond this, some manufacturers are investigating hydrogen fuel cells, though this is still a nascent technology.

Materials choices

Investigations into low carbon building materials has continued this year, for example we have trialled bricks with lower material volumes in our Kent Division, which in turn lowers the embodied carbon content. This is an illustration of the opportunities that could be scaled through supply chain engagement. We continue to investigate materials which contribute to lowering the embodied carbon of our homes.

Supply chain actions under investigation

Critical sectors	Key carbon reduction levers
Concrete and cement (including mortars)	• Move to renewables and lower carbon products. • Waste management and circularity, decreasing use of virgin materials and lowering energy required in production. • Modern methods of construction (MMC) and innovative products to reduce volumes required.
Bricks and blocks	• Reduced volume and higher recycled content bricks. • Kilns fired with renewable energy, including hydrogen and syngas.
Lime and gypsum (plasterboard)	• Increased use of renewable energy. • Increased use of recycled materials and reduction in volume of virgin materials.
Ceramics (including roof tiles for example)	• Increased use of gasification of biomass, industrial heat pumps, hybrid drying, and extended tunnel kilns. Hydrogen as an alternative to gas and heat recovery. • Increased recycled content and reuse of "waste" materials to avoid use of virgin products and lower embodied carbon.
Plastics (including pipework and windows for example)	• Recycling of plastic and encourage large scale adoption of green plastics and bioplastics. • Promote usage of waste plastic in innovative products, e.g. plastic concrete.
Timber	• Waste management and circularity, decreasing use of virgin materials and lowering energy required. • Alternative building materials e.g. cross-laminated timber elements where appropriate.
Ferrous metals (including steel)	• Updated production such as direct reduced iron and smelting reduction. • Move towards hydrogen-based steel making. • Promote usage of green steel.
Main Contractors – direct purchase of materials	• Identification of products with lower embodied carbon. Adoption of products with Environmental Product Declarations.
Additional materials across our operations	• All the above initiatives will likely contribute, especially where products are made from multiple materials.

Climate-related risks and opportunities continued

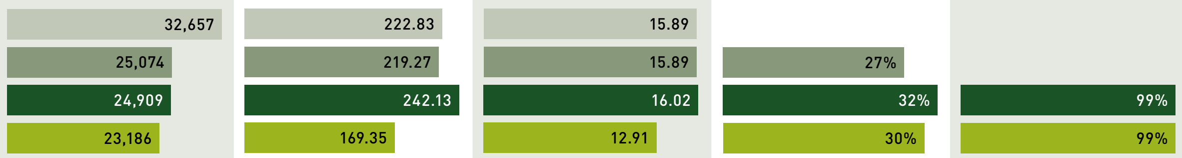
On track
Achieved
Monitor
Below target
Target not met

METRICS AND TARGETS

To monitor progress of our response to risks and opportunities, management monitor several indicative performance metrics.

We are focused on reducing the emissions of the homes we build, to offer our customers even better energy efficiency as well as resilience to climate change. We acknowledge the current obstacles to effectively reducing value chain emissions, including the lack of data, and inconsistent standards, and we therefore anticipate greater progress will be made over the medium- to long-term. Whilst we face headwinds in the short term, our immediate plans for improvements in data collection and stakeholder engagement will drive our performance towards these goals.

Metric	Scope 1 & 2 (market-based) greenhouse gas emissions (tCO_2e)	Scope 3 (market-based) greenhouse gas intensity ($tCO_2e/100m^2$)	Average DER for completed properties ($kgCO_2/m^2/yr$)	Use of offsite-based products and systems in homes constructed	Percentage of home completions in year achieving an A or B EPC rating
Risk/ Opportunity	Carbon pricing	Carbon pricing	Housing regulations; Demand for and affordability of green homes	New technologies; Weather disruption	Demand for and affordability of green homes
Description	As per our "Disorderly Transition" scenario (outlined on page 83), external carbon prices could reach up to $291 per tCO_2e by 2050. The Group monitors its exposure to carbon pricing through its direct and indirect greenhouse gas emissions, as its energy usage and emissions of suppliers act as indicators of the activity that may be subject to future increases in regulatory costs.	To ensure we achieve emissions reductions in line with a 1.5°C transition, we have committed to SBTi approved targets across our value chain, measuring direct and indirect emissions against the baseline year of 2018. Details of how we will achieve these targets are presented in the transition pathway on pages 91 to 95.	With over a fifth of UK emissions coming from its homes, reducing emissions from residential buildings is a priority for the UK's decarbonisation strategy. This includes reducing the emissions generated in new build homes, which is reflected in building regulations such as the Future Homes Standard, which will require a reduction in the Dwelling Emissions Rate (DER) of 75-80% compared to 2013 building regulations.	Modern methods of construction utilising offsite production reduce build time and increase resilience to severe weather. In FY22 we accelerated our ambition and updated our 2025 target to apply offsite-based products and systems to 30% of homes.	Low running costs associated with energy efficiency of new homes is an important consideration for homebuyers, with the average new Barratt home unlocking savings of up to £2,200 per annum compared with older homes. Therefore, maintaining at least 99% of our homes at an EPC A or B rating will support us in benefiting from the opportunities available for energy-efficient new homes.
	Target performance 23,186	Target performance 169.35	Target performance 12.91	Target performance 30%	Target performance 99%
	FY23 performance 24,909*	FY23 performance 242.13	FY23 performance 16.02*	FY23 performance 32%	FY23 performance 99%
	Baseline year: 2018 Target year: 2025	Baseline year: 2018 Target year: 2030	Baseline year: 2022 Target year: 2025	Target year: 2025	
Target status					



Key: Baseline performance | FY22 | FY23 | Target performance

As per the climate risk register presented on page 84, our greatest exposure to climate change is through transition risks, particularly those related to building regulations and carbon pricing. All our residential properties are subject to incoming building regulations, but we are investigating means to monitor adherence to building regulations further. We are also investigating the implementation of internal carbon pricing to allow future emissions to inform decision making.

Relatively few of our assets or business activities are vulnerable to physical risks since our land appraisal process already considers physical risks such as flooding. Therefore, rather than applying an overall percentage of business activities subject to physical risks, we deem it more appropriate to monitor exposure to physical risks through risk-specific metrics. To that end, we are looking to implement monitoring of overheating and weather disruption over the next 12 months.

Further industry-wide metrics are included within our SASB disclosure on our website and cross-industry metrics are included in the five-year record on page 239.

Greenhouse gas emissions

Our greenhouse gas emissions are presented below. A further breakdown of our value chain emissions and our plans to decarbonise in line with our 2040 net zero ambition are presented on page 92.

Greenhouse gas emissions			2023	2022	2021	2020	2019	2018
Scope 1		tCO_2e	**23,580***	23,234	26,769	20,323	27,169	27,577
Scope 2	Market based	tCO_2e	**1,329***	1,840	2,496	1,640	3,413	5,080
	Location based	tCO_2e	**5,515***	4,802	5,973	4,260	5,162	6,716
Total gross scope 1 & 2 emissions	Market based	tCO_2e	**24,909**	25,074	29,265	21,963	30,582	32,657
	Location based	tCO_2e	**29,095**	28,036	32,742	24,583	32,331	34,293
Scope 1 & 2 energy consumption		MWh	**139,718***	128,189	141,945	102,966	127,434	127,496
Carbon intensity (scope 1 & 2 emissions per 100m² of legally completed build area)	Market based	$tCO_2e/100m^2$	**1.60***	1.53	1.78	1.80	1.78	1.90
	Location based	$tCO_2e/100m^2$	**1.86***	1.71	1.99	2.02	1.89	1.99
Scope 3 category 1: Purchased goods & services		tCO_2e	**2,332,213**	2,395,642	1,923,397	2,019,509	2,305,017	2,421,559
Scope 3 category 11: Use of sold products		tCO_2e	**1,217,738***	1,244,317	1,352,982	930,797	1,311,087	1,273,346
Other scope 3 emissions		tCO_2e	**229,378**	241,921	144,890	178,479	217,907	160,785
Total gross scope 3 emissions		tCO_2e	**3,779,329**	3,881,879	3,421,269	3,128,785	3,834,011	3,855,690
Scope 3 carbon intensity (scope 3 emissions per 100m² of legally completed build area)		$tCO_2e/100m^2$	**242.13**	236.67	208.12	256.52	222.96	222.83
Total gross scope 1, 2 & 3 emissions	Market based	tCO_2e	**3,804,238**	3,906,953	3,450,534	3,150,748	3,864,593	3,888,347
	Location based	tCO_2e	**3,808,424**	3,909,915	3,454,011	3,153,368	3,866,342	3,889,983

Scope 1, 2 and 3 GHG emissions have been measured in accordance with the operational control method of the GHG Protocol. All scope 1 and 2 GHG emissions arise in the UK. Emission factors come from BEIS "UK Government Conversion Factors for Company Reporting 2022".

Scope 1 & scope 2 energy consumption comprises scope 1 energy consumption of 110,996 MWh* and scope 2 energy consumption of 28,722 MWh*.

Other scope 3 emissions is comprised of category 2: capital goods; category 3: fuel & energy related activities (6,234 tCO_2e)*; category 4: upstream transportation & distribution; category 6: business travel (4,016 tCO_2e)*; category 7: employee commuting; and category 12: end of life treatment of sold products.

Deloitte have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected metrics in the tables and footnotes above and across identified with an *. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, our full Carbon Reporting Methodology Statement, our ESG Basis of Reporting and a full breakdown of scope 3 GHG emissions, see our website www.barrattdevelopments.co.uk/building-sustainably/ourpublications-and-policies/publications.

Climate-related risks and opportunities continued

Greenhouse gas emissions continued

Scope 3 restatement

Greenhouse gas emissions			2022 (as published)	Updates to EEIO factors	**2022 (restated)**	2021 (as published)	Updates to EEIO factors	**2021 (restated)**	2020 (as published)	Updates to EEIO factors	**2020 (restated)**
Scope 3 category 1: Purchased goods & services		tCO_2e	2,131,408	264,234	**2,395,642**	1,983,082	(59,685)	**1,923,397**	2,020,341	(832)	**2,019,509**
Other scope 3 emissions		tCO_2e	220,814	21,107	**241,921**	148,189	(3,299)	**144,890**	177,919	560	**178,479**
Total gross scope 3 emissions		tCO_2e	3,596,538	285,341	**3,881,879**	3,484,253	(62,984)	**3,421,269**	3,129,057	(272)	**3,128,785**
Scope 3 carbon intensity (scope 3 emissions per 100m² of legally completed build area)		tCO_2e/ 100m²	219.27	17.40	**236.67**	211.95	(3.83)	**208.12**	256.54	(0.02)	**256.52**
Total gross scope 1, 2 & 3 emissions	Market Based	tCO_2e	3,621,612	285,341	**3,906,953**	3,513,518	(62,984)	**3,450,534**	3,151,020	(272)	**3,150,748**
	Location Based	tCO_2e	3,624,574	285,341	**3,909,915**	3,516,995	(62,984)	**3,454,011**	3,153,640	(272)	**3,153,368**

Driving performance

Performance against the Group's climate-related targets is reported to the Sustainability Committee, a sub-committee of the Board.

In January 2023 we converted our £700m revolving credit facility to a sustainability-linked loan. The performance measures are (1) science-based target aligned scope 1 & 2 emissions reductions; (2) waste intensity reduction; and (3) improving the sustainability of our homes by reducing the average Dwelling Emission Rate.

To drive the implementation of our climate-related targets, scope 1 and 2 greenhouse gas reduction is included as a performance measure for the LTPP awarded to Executive Directors and senior managers, accounting for 15% of the award. Full details of the 2022 award to Executive Directors are presented in the Remuneration Report on pages 137 to 168.

Our scope 1 & 2 (market-based) absolute emissions decreased by 0.7% in the year, representing an overall decrease of 23.7% compared to our 2018 baseline, reflecting steady progress towards our science-based target of a 29% reduction by 2025. However, scope 1 & 2 (market-based) intensity increased by 4.4% in the year, primarily due to timing differences between what was built versus handed over.

Despite reductions achieved in scope 1 & 2 (market-based) emissions, we are mindful that our direct energy consumption has increased by 9.0% in the year. While our efforts on initiatives such as substitution of diesel with HVO and adoption of renewable electricity tariffs have resulted in significant emissions savings, underlying energy requirements have increased. In response, we are prioritising energy reduction activities and are supporting this with enhanced carbon emissions reporting to local divisions, providing greater visibility of energy usage on sites to enable them to drive a reduction in energy consumption and cost.

Scope 3 absolute emissions decreased by 2.6% in the year, primarily driven by a reduction in upstream emissions from purchased goods & services, which we calculate using a spend-based method, particularly susceptible to high price inflation in some carbon-intensive sectors of the supply chain. See page 94 for a summary of how we are working with key suppliers to obtain quantity-based emissions data that is more representative of the materials we source from them. Like scopes 1 & 2, the lower volume of properties handed over in the year also had an impact, and therefore scope 3 intensity increased by 2.3% in the year.

The estimation of scope 3 emissions from our supply chain applies industry-specific Environmentally Extended Input Output (EEIO) factors against supplier spend. These factors are updated annually based on macroeconomic indicators. During the year, The World Bank issued retrospective updates to these macroeconomic indicators affecting 2022, 2021 and 2020. As such, the EEIO factors for these years have been updated, with the impacts outlined in the table above.

For information and progress on our scope 1 & 2 and scope 3 carbon reduction initiatives and how we plan to decarbonise across our operations and value chain, see our transition plan on page 91.

How we are building our climate data framework

The Group has set out a roadmap for further ESG reporting improvements, which includes the monitoring of climate-related metrics. To support this, we have identified three ESG data strategy priorities to (i) automate data collection; (ii) enhance controls over ESG data; and (iii) provide actionable insights through dashboard reporting.

To support action to achieve emissions-related remuneration targets (detailed on page 158), local management now receive regular data on emissions performance, benchmarking their divisions against other regions and allowing for the identification of high and low performing sites. We are currently developing further data reporting that will show the impact of specific equipment usage at the site level to further drive energy-efficient behaviours. This will also allow for the monitoring of initiatives detailed in our transition pathway, leading the path towards net zero.

Our data priorities will be embedded across the Sustainability Framework by the end of FY24. This is a rapidly evolving area and our roadmap to automated and actionable ESG data reporting will be updated periodically to take into consideration new priorities for data collection as they become clearer through regulatory drivers or voluntary targets.

Viability Statement

Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. After making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. (More information on the going concern judgement can be found in note 1 to the Financial Statements.) Therefore, the Directors continue to adopt the going concern basis in the preparation of these Financial Statements.

Viability statement

In accordance with the Code, the Directors have assessed the prospects and financial viability of the Group over the longer term, considering both its current position and circumstances, and the potential impact of its principal risks. The Group's business model is presented on pages 14 to 15 and its future prospects are primarily monitored through the risk management processes detailed on page 71.

Assessment period

For the long-term Viability Statement, the Directors consider that a three year review period is appropriate. This period is aligned to our operating framework of a 3.5 years owned land bank, and the time frame over which the majority of our risks have the potential to manifest. Additionally, the Group's bottom-up planning and forecasting cycle, which considers a wide range of information relating to present and future business conditions, including those which impact on expected profitability, cash flows and funding requirements, covers three years.

As environmental and climate change risks become more significant, the potential for moving towards five year review period will be considered for future viability assessments.

The Group's business plan reflects the anticipated effects of the current economic environment. The Group is forecast to remain profitable and in compliance with its financial covenants throughout the forecast period.

Principal risks

The Group continues to be subject to its principal risks, which are detailed on pages 73 to 77. This Viability Statement considers the impact that these risks might have on its ability to meet its targets in current market conditions over the review period.

The current economic environment presents significant macroeconomic uncertainties, most notably around interest rates and their consequent impacts on UK economic growth and housing affordability, as well as consumer confidence and spending. The risks that were considered relevant, for which the impacts were applied in aggregate, were as follows:

	Principal risk	Impact modelled	Group resilience to risk impact modelled	Mitigating actions to risk impact modelled
A	Economic environment	A decline in demand, leading to a 10% reduction in private average selling prices compared to FY23 levels throughout FY24 and FY25 followed by a 3% recovery in FY26, and a fall in sales volumes of 25% in FY24 followed by a 5% recovery in FY25 and FY26.	Geographic and product diversity allows for flexibility in response to market conditions whilst the diverse land bank allows for selective development of future sites.	In response to lower volumes, a reduction in uncommitted land investment combined with a reduction in the level of production and therefore work in progress, as well as a reduction in overhead base.
E	Supply chain resilience	A further increase in material and labour costs of 3% arising from shortfalls in supply and inflationary pressures.	Key supplier audit programme, centralised procurement and long-standing relationships ensure continuity of supply. Robust cost control through well-monitored build programmes.	Redesign of developments to emphasise cost savings. Central procurement review of supply agreements with significant agreements fixed in advance.
C,G	Government regulation and political risk; Safety, health and environment	A Building Safety Levy of £1,500 per private plot for potential additional safety costs that could be imposed by the UK Government.	Strong balance sheet and net cash position along with good cost control through well monitored build programmes.	As an industry-wide cost, any such levy will likely be factored into future land bids over the medium term.
J	Environmental, social and governance	Climate-related transition risk will manifest to a greater degree than forecast, consistent with a 1.5°C global temperature rise, including early implementation of the Future Homes Standard and increased carbon pricing, with the impact being seen from FY25. An additional cost per plot of £5,500 has been included.	Continuous investment in new technologies and engagement with the wider supply chain, ensuring responsibly sourced materials.	For further details regarding climate change risks, refer to the TCFD disclosures on pages 78 to 98. For the transition pathway to achieve net zero by 2040 and mitigating exposure to carbon pricing, see page 91.

Viability Statement continued

Viability Statement continued

Outcome of assessment

To assess the Group's resilience to adverse outcomes, its forecast performance over the three-year period was sensitised to reflect a series of scenarios based on the Group's principal risks and the downside prospects for the UK economy and housing market presented in the latest external economic forecasts. This assessment included a reasonable worst case scenario in which the Group's principal risks manifest to a severe but plausible level.

Under the described scenario, the Group is able to operate within its current facilities, meet its liabilities as they fall due, and remain in compliance with its financial covenants in the assessed period. The Group has a policy of maintaining a £150m headroom on its available facilities and would remain in compliance with this policy throughout the viability review period.

Under the scenario, the Group would undertake mitigating actions in response to the challenging circumstances modelled. This would primarily involve a reduction in investment in land and work in progress in line with the fall in expected sales, and would not compromise the Group's ability to grow over the long term.

The Directors have also carried out reverse stress testing to determine the market conditions in which the Group would cease to be able to operate under its current facilities within the three-year review period.

The Group's base forecast was sensitised to an immediate reduction in average selling prices from 1 July 2023 by a set percentage up to the point at which the Group breached its covenants or headroom policy. A second stress test was performed in which the base forecast was sensitised to an immediate reduction in sales volumes from 1 July 2023 by a set percentage up to the point at which the Group breached its covenants or headroom policy. A reduction in uncommitted land spend of 50% was included as a mitigating action in both stress tests. It was determined that a reduction in average selling price of c. 31% or a reduction in sales volumes of c. 74% would result in a breach. The Directors consider such sustained falls in average selling price or sales volumes to be extremely unlikely.

Mitigations

Furthermore, in such challenging economic circumstances, additional options would be available to ensure that the Group would retain the flexibility to react to further risks or opportunities, including:

(i) further reductions in uncommitted land spend;

(ii) redesign of developments to emphasise cost savings;

(iii) suspension of discretionary bonus payments;

(iv) reduction or suspension of dividend payments;

(v) disposal of interests in joint ventures to partners; and

(vi) sale of land or unsold stock at discounted value.

As these actions could affect the long-term solvency and growth prospects of the Group, they would only be used to meet immediate requirements. Nonetheless, their availability in addition to the actions modelled demonstrates that the Group has further flexibility to respond to challenges as they arise.

Based on this review, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Over the longer term, climate change will present an increasing risk to the Group. In response to this, and in line with the recommendations of the Taskforce on Climate-related Financial Disclosures, the Board has undertaken a review of the climate-related risks and opportunities that may affect the business out to 2050, including the modelling of the Group's resilience under several climate-related scenarios. The results of this review, as well as the action being undertaken to ensure the business is well positioned to thrive in the new physical, socio-economic and regulatory environment, are set out on pages 78 to 98.

Looking forward, significant macro-economic challenges, most notably persistent inflation and a higher interest rate environment, will impact the housebuilding sector in the medium term. The Directors consider that the Group can demonstrate its resilience to these challenges with its well-capitalised balance sheet, strong net cash balance and a solid forward sales position going into FY24.

The Strategic Report on pages 2 to 100 was approved by the Board and signed on its behalf by

David Thomas
Chief Executive Officer
5 September 2023

Corporate Governance

Contents

Our Board

Focused on promoting the success and long-term sustainable value of the Group.

Board Skills and experience

All Directors are expected to devote the necessary time to fulfil their responsibilities and duties to the Company, with the highest standards of integrity. Each Director has demonstrable experience, skills and knowledge which complement the skills and experience of other Board members and enhance Board effectiveness.

A summary of the Directors' skills is set out on this page, with further details together with their previous experience on pages 104 and 105.

Skill	Total
Housebuilding	3
Property Industry	4
Retail	5
Public Policy	5
Marketing	3
Governance	8
Finance/Accounting	7
Legal	1
Employment/HR	3
Sustainability	6
Digital	5
Financial services	3

S Corporate Governance F

Board of Directors and Company Secretary continued

A. Caroline Silver
Chair

N R

Appointed:
Caroline joined the Board on 1 June 2023, succeeding John Allan as Non-Executive Chair on 30 June 2023. She became Designated Non-Executive Director for Workforce Engagement in July 2023.

Skills and qualifications:
Caroline brings a wealth of knowledge and experience to the Board across a number of commercial, financial, investment banking, governance and board leadership roles. Caroline was Chair of PZ Cussons PLC until 31 March 2023 and was Non-Executive Director of Meggitt PLC and M&G PLC. She served on the Board of the London Ambulance Service NHS Trust and as a trustee of the Victoria and Albert Museum. She spent over 30 years in the investment banking sector, holding senior corporate finance and M&A positions at Morgan Stanley and Merrill Lynch, and until 2020, was a partner and managing director at Moelis & Company. Caroline started her career as a Chartered Accountant at PwC.

External appointments:
Caroline is currently a Non-Executive Director at Tesco PLC, BUPA and Intercontinental Exchange, Inc. She is also a member of the International Advisory Board of Adobe Inc, a member of the V&A Foundation, and Chair of the Audit Committee of the National Film and Television School.

B. David Thomas
Chief Executive

D S W

Appointed:
David joined the Board as an Executive Director and Group Finance Director in July 2009, and was appointed Chief Executive in July 2015.

Skills and qualifications:
David brings significant leadership and finance experience acquired over several years in senior positions, and is an Associate of the Institute of Chartered Accountants in England and Wales. He was previously Group Finance Director and Deputy Chief Executive of The GAME Group plc, and Group Finance Director at Millennium and Copthorne Hotels plc. He has also held senior financial roles with House of Fraser plc and Forte plc. David stepped down as a trustee of the Barratt Developments PLC Charitable Foundation in April 2023.

External appointments:
David is a Non-Executive Director of the HBF, Chair of the Future Homes Hub, a representative on the Green Jobs Delivery Group, a member of the Net Zero Buildings Council and a Senior Adviser to the Construction Leadership Council.

C. Steven Boyes
Chief Operating Officer and Deputy Chief Executive

H S W

Appointed:
Steven joined the Board as an Executive Director in July 2001, Chief Operating Officer in July 2012 and Deputy Chief Executive in February 2016. He is responsible for the Group's housebuilding operations and the newly acquired land promotion business, Gladman Developments Limited.

Skills and qualifications:
Steven has over 40 years' experience in the housebuilding industry, having joined as a junior quantity surveyor in 1978. He progressed through the business to assume the roles of Technical Director and Managing Director of Barratt York, before being appointed Regional Director for Barratt Northern in 1999. Steven was previously a Trustee of the UK Green Building Council.

External appointments:
Steven holds no external appointments.

D. Mike Scott
Chief Financial Officer

D

Appointed:
Mike joined the Board as an Executive Director and Chief Financial Officer in December 2021.

Skills and qualifications:
Mike has extensive experience in the housebuilding sector and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was previously Chief Financial Officer of Countryside Properties PLC, having joined as Group Financial Controller in 2014. Prior to this, Mike held a number of senior finance roles at J. Sainsbury Plc, including latterly as Head of Investor Relations, and spent 11 years at PwC.

External appointments:
Mike holds no external appointments.

E. Katie Bickerstaffe
Non-Executive Director

A N R S

Appointed:
Katie joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Remuneration Committee with effect from 4 May 2021.

Skills and qualifications:
Katie brings extensive business transformation experience together with considerable digital expertise. She was a Non-Executive Director at Marks and Spencer Group PLC, and previously Executive Chair of SSE Energy Services, where she led its separation from SSE plc and subsequent sale to OVO Group Ltd. She was also a Non-Executive Director of SSE Plc and Chair of its Remuneration Committee until 2018. Prior to this, she worked in a variety of general management roles in retail and manufacturing businesses.

External appointments:
Katie was appointed as Co-Chief Executive of Marks and Spencer Group PLC in May 2022 and is also a Non-Executive Director of the England and Wales Cricket Board, where she was appointed the Senior Independent Director in May 2023.

F. Jasi Halai
Non-Executive Director

A N R S

Appointed:
Jasi joined the Board on 1 January 2023.

Skills and qualifications:
Jasi brings considerable financial and business skills and experience which complement those of other Board members. She is a Chartered Management Accountant and holds an MSc in investment management from the CASS Business School. Before being appointed to the Board of 3i Group plc, she held a variety of posts there, most recently as Group Financial Controller. She was also a Non-Executive Director and Chair of the Audit Committee at Porvair Plc until January 2023.

External appointments
Jasi is currently Chief Operating Officer and an Executive Director of 3i Group plc, and is also a member of the 3i Executive, Investment, Group Risk and ESG Committees.

G. Jock Lennox
Senior Independent Director

A N R S

Appointed:
Jock joined the Board as a Non-Executive Director in July 2016 and became Senior Independent Director on 4 May 2021.

Skills and qualifications:
Jock, a Chartered Accountant, brings significant business and finance experience to the Board. He was Chairman of Hill and Smith Holdings plc and Enquest plc, stepping down from both positions in 2019. Jock was previously Senior Independent Director of Oxford Instruments plc and Non-Executive Director and Chairman of the Audit Committees of Dixons Carphone plc and A&J Mucklow Group plc. He spent 30 years with Ernst & Young LLP, holding several leadership positions in the UK and globally, including 20 years as a partner.

External appointments:
Jock was appointed Chairman of Johnson Service Group PLC in May 2021. He is also currently Chair of the Audit Committee Chairs' Independent Forum, and has indicated his intention to step down from this role during September 2023.

H. Chris Weston
Non-Executive Director

A N R H

Appointed:
Chris joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Safety, Health and Environment Committee with effect from 4 May 2021.

Skills and qualifications:
Chris brings to the Board considerable commercial experience, driving performance and growth, including as former Chief Executive Officer at Aggreko Limited and as Managing Director, International Downstream at Centrica plc. Chris joined Centrica after a successful career in the telecoms industry working for Cable & Wireless Plc and One. Tel. Until June 2023, Chris was also a Non-Executive Director on the board of the Royal Navy.

External appointments:
Chris was appointed a Non-Executive Director of Sportquest Holidays Ltd in August 2023.

I. Tina Bains
Company Secretary

D S

Appointed:
Tina was appointed to the role of Company Secretary in January 2016.

Skills and qualifications:
Tina joined the Group in 2008 as Assistant Company Secretary, and was promoted to the role of Deputy Company Secretary in 2011. Prior to this, Tina held various Company Secretarial positions within the private and professional services sectors including TMF Corporate Secretarial Services Limited and Ernst & Young LLP. Tina is a Fellow of the Corporate Governance Institute.

External appointments:
Tina is a Trustee of the Barratt Developments PLC Charitable Foundation.

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- D Disclosure Committee
- H Safety, Health and Environment Committee
- S Sustainability Committee
- W Workforce Forum
- Chair of Committee

Other Directors who served during FY23

John Allan
Non-Executive Chairman

N R

John joined the Board as a Non-Executive Director in August 2014 and became Chairman in November 2014. He stepped down as Chairman and as a Non-Executive Director on 30 June 2023, having served nine years on the Board.

John brought significant board, business and retail experience gained from both the commercial and financial sectors. John was Chairman of Tesco PLC until 16 June 2023, President of the CBI from 2018 to 2020, stepping down to become Vice President until October 2021. He was CEO of Exel PLC and, when it was acquired by Deutsche Post in 2005, he joined the board of Deutsche Post, becoming CFO in 2007 until his retirement in 2009. John was also chair of Dixons Retail plc and, following its merger with Carphone Warehouse, was deputy chair and senior independent director of Dixons Carphone until 2015. He had previously held a number of other non-executive directorships of Worldpay Group PLC (where he was previously Chair), National Grid plc, the UK Home Office Supervisory Board, 3i plc, PHS Group plc, Connell plc, Royal Mail plc, Wolseley plc and Hamleys plc, and chair of London First. John is currently Chair of the Council at Imperial College.

Nina Bibby
Non-Executive Director

A N R

Nina joined the Board as a Non-Executive Director in December 2012 and did not stand for re-election at the 2022 AGM.

Nina brought a wealth of marketing experience to the Board. She was formerly Chief Marketing Officer at O2 (Telefonica UK) until July 2021, and Global Chief Marketing Officer at Barclaycard, the payments subsidiary of Barclays plc, until 2013. Previously Nina had been Senior Vice President, Global Brand Management at InterContinental Hotels Group plc, and Commercial Strategy Director at Diageo plc. Nina is currently Senior Vice President of Consumer Segment Marketing at Verizon.

Sharon White
Non-Executive Director

A N R W

Sharon joined the Board as a Non-Executive Director in January 2018 and became Designated Non-Executive Director for Workforce Engagement in May 2021. She stepped down from these positions on 30 June 2023.

Sharon brought to the Board over 25 years' experience in the public sector, combined with strong employee stakeholder experience, as Chairman of the John Lewis Partnership, the UK's largest employee-owned business. Her previous roles included Chief Executive of Ofcom and Director General, Public Spending and Second Permanent Secretary to HM Treasury. She had also held roles at the British Embassy in Washington, the No 10 Policy Unit, the World Bank and various Government departments including the Department for International Development, the Department of Work and Pensions and the Ministry of Justice.

Executive Committee

Executive Committee

The Executive Committee currently comprises of:

David Thomas
Chief Executive

Steven Boyes
Chief Operating Officer and Deputy Chief Executive

Mike Scott
Chief Financial Officer

Tina Bains
Company Secretary

Bukky Bird
Group Sustainability Director

Tim Collins
Group Corporate Affairs Director

Jeremy Hipkiss
Group Customer and Change Director

Biographies for David, Steven, Mike and Tina can be found on pages 104 and 105.

The biographies for Bukky, Tim and Jeremy are as follows:

A. Tim Collins

Group Corporate Affairs Director

Tim is responsible for the Group's internal and external communications and public affairs. He is also a Trustee of the Barratt Developments PLC Charitable Foundation.

Career and experience:

Tim joined the Group in 2014 as a regional Head of Communications, before becoming Group Head of Corporate Communications in 2016. He was appointed to his current role and joined the Executive Committee in September 2022. Tim brings significant political and industry experience, having held the roles of Deputy Director of Communications at the Conservative Party, Chief of Staff to the Shadow Housing Minister and Deputy Director External Affairs at the HBF. Tim has a Law degree from University College London.

B. Bukky Bird

Group Sustainability Director

Bukky is responsible for the Group's sustainability strategy and its delivery. She is a member of the Sustainability Committee.

Career and experience:

Bukky joined the Group in 2020 and was appointed to the Executive Committee in September 2022. She brings a breadth of experience acquired from leadership roles in strategy, sustainability, business transformation, engineering, construction and retail operations. She was previously Chief of Staff to the Group CEO at Tesco PLC, as well as the Engineering and Sustainability Director, and before that she worked at WSP Group PLC where she held senior commercial and technical roles. Bukky is a qualified Mechanical Engineer and also holds a Master's degree in Environmental Design and Engineering, both from UCL.

C. Jeremy Hipkiss

Group Customer and Change Director

Jeremy is responsible for the Group's customer journey, including sales, marketing and customer experience strategy and delivery. In addition, Jeremy has executive responsibility for IT and business change. He is also a member of the Sustainability Committee and a Trustee of the Barratt Developments PLC Charitable Foundation.

Career and experience:

Jeremy joined the Group in 2008 and has wide experience in customer experience, marketing and retail operations, having held a similar role at the Spirit Group. Prior to that, Jeremy worked for Allied Domecq PLC and Marston's PLC, having graduated in economics from the University of Leeds.

Regional Managing Directors

The Group operates through six geographic housebuilding regions, along with a commercial division, Wilson Bowden Developments, and a land promoter Gladman Developments. The Regional Managing Directors, Managing Director of Wilson Bowden Developments and Managing Director of Gladman Developments are as follows:

A. Doug McLeod

Regional Managing Director – Scotland

Doug is responsible for the Group's operations in the Scotland Region, which consists of three divisions and our timber frame operation at Oregon.

Career and experience:

Doug joined the Group in January 1974. Formerly Regional Director of Barratt Scotland and Managing Director of Barratt North Scotland, he was appointed to his current role in January 2017.

B. Mike Roberts

Regional Managing Director – Northern

Mike is responsible for the Group's operations in the Northern Region, which consists of five divisions. He is also responsible for the Group's commercial function.

Career and experience:

Mike joined the Group in June 2004. Formerly Managing Director of Barratt North East, he was appointed to his current role in January 2017.

C. David Hesson

Regional Managing Director – Central

David is responsible for the Group's operations in the Central Region, which consists of five divisions. From July 2022, he took over responsibility for Barratt Partnerships and is also responsible for Group Major Projects.

Career and experience:

David joined the Group in March 2020 as Regional Director, and was appointed to his current position in April 2021.

D. Mark Bailey

Regional Managing Director - East

Mark has assumed responsibility for the Group's operations in the East Region following Richard Brooke's retirement on 31 December 2022. The region consists of six divisions and BD Living, our wardrobe manufacturing factory.

Career and experience:

Mark joined the Group in 2012 as Managing Director for the Kent Division, having previously worked at Redeham Homes which he owned and where he was Managing Director. He was appointed Regional Director of the Southern Region in October 2016 and then Group Projects Managing Director in July 2022. Mark was appointed as Regional Managing Director – East in January 2023.

E. Victoria Hesson

Managing Director – Gladman Developments

Vicky joined Barratt on the acquisition of Gladman Developments, the land promotion business acquired by Barratt in January 2022. In addition to Gladman, she also provides advice on the Group's wider strategic land holdings.

Career and experience:

Vicky has over 20 years' experience in the housebuilding industry and has held various roles within other housebuilders prior to joining Gladman in 2013. She has a degree in Architecture and a Master's degree in Town and Regional Planning and is a Chartered Member of the Royal Town Planning Institute.

F. Russell Glimstead

Regional Managing Director – West

Russell is responsible for the Group's West Region, which consists of four divisions.

Career and experience:

Russell joined the Group in 2007 following the acquisition of Wilson Bowden plc. Formerly Managing Director of Barratt Bristol, he was appointed to his current role of Regional Managing Director for the West Region in July 2022.

G. Gary Ennis

Regional Managing Director – London and Southern

Gary is currently responsible for the Group's operations in the London and Southern Regions, consisting of six divisions (two in London and four in Southern).

Career and experience:

Gary joined the Group in 1995. Formerly Managing Director of Barratt North London, he was appointed Regional Managing Director of Southern in January 2006 and of London in October 2016.

H. Nick Richardson

Managing Director – Wilson Bowden Developments

Nick is responsible for the Group's commercial business, Wilson Bowden Developments.

Career and experience:

Nick joined Wilson Bowden plc in 1991 and was appointed to his current role in 1999. Nick joined the Group in 2007 following the acquisition of Wilson Bowden plc. Nick is a Chartered Surveyor.

Corporate Governance Report
Introduction and overview

Governance at a glance

Caroline Silver
Chair

Corporate Governance Statement of Compliance

The Company is subject to the Code, which was issued by the FRC in 2018. The Code can be found on the FRC's website, www.frc.org.uk. The Board confirms that, throughout the year ended 30 June 2023, and as at the date of this report, the Company has applied all of the principles and complied with all relevant provisions set out in the Code, except for Provision 38 (Executive Directors' pension contributions). As set out on page 138 the Company complied with this provision with effect from 1 January 2023 and is therefore now fully compliant. This report, together with the reports from the Nomination, Audit, SHE and Remuneration Committees and the other statutory disclosures, provides details of how the Company has applied the principles of the Code (pages 102 to 171). The Company has also complied with the relevant requirements of the FCA's Disclosure and Transparency Rules and the FCA's Listing Rules, BEIS's Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Company's Board diversity statement and associated data is included in the Nomination Committee Report on page 120.

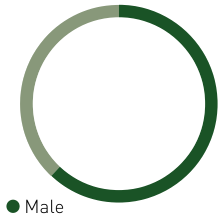
Highlights

During the year, the Board:

- agreed the recruitment of a new Chair and Non-Executive Director;
- agreed a 604 unit private rental transaction with CITRA Living;
- established a new purpose and values for launch in FY24;
- reviewed capital structure and completed a share buyback programme;
- monitored progress on the Diversity and Inclusion strategy; and
- signed the Building Safety Long Form Agreement and the Scottish Safer Buildings Accord.

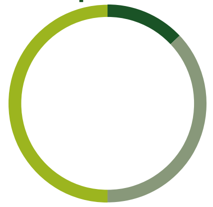
Key stats

Gender diversity



Male	62.5%
Female	37.5%

Independence



Chair	12.5%
Executive Directors	37.5%
Independent Non-Executive Directors	50.0%

Board tenure

0-3 years	62.5%
3-6 years	0.0%
6+ years	37.5%

Board and Committee attendance

During FY23 the Board held ten meetings. Attendance by each Director while they were a member is set out in the table below. The Board, led by Jock Lennox as Senior Independent Director, also attended three additional meetings during the year to discuss the acceleration of the planned Chair Succession1. Attendance at each of the Board Committee meetings is shown on page 116 (Nomination Committee), page 124 (Audit Committee), page 133 (SHE Committee) and page 137 (Remuneration Committee).

Attended / Did not attend

	Board
John Allan – Chair	10 attended
Caroline Silver[2] – Chair	1 attended
David Thomas – Chief Executive	10 attended
Steven Boyes – Chief Operating Officer and Deputy Chief Executive	10 attended
Mike Scott – Chief Financial Officer	10 attended
Katie Bickerstaffe – Non-Executive Director	10 attended
Jasi Halai[3] – Non-Executive Director	5 attended, 1 did not attend
Jock Lennox – Senior Independent Non-Executive Director	10 attended
Chris Weston[3] – Non-Executive Director	9 attended, 1 did not attend
Nina Bibby[4] – Non-Executive Director	3 attended
Sharon White[5] – Non-Executive Director	9 attended, 1 did not attend

1 John Allan did not attend any meetings or parts thereof at which his succession was being discussed and stepped down from the Board on 30 June 2023.
2 Caroline Silver joined the Board on 1 June 2023 and took over as Chair on 30 June 2023.
3 Jasi Halai (who was appointed on 1 January 2023) and Chris Weston were unable to attend the January Board meeting due to a prior commitment. Prior to the meeting, Jasi and Chris provided their views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting they were briefed on the business of the meeting and any decisions taken.
4 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.
5 Sharon White stepped down from the Board on 30 June 2023. Sharon was unable to attend the June meeting due to another commitment. Prior to the meeting Sharon provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Corporate Governance Report continued

Implementation of the Code

Section of the Code	How we have applied the Code	Further information
Board leadership and company purpose		
The Board: i. is responsible for the long-term sustainable success of the Company, determines purpose, values and strategy and models the Group's culture; ii. ensures the necessary resources are available to the Group; and iii. engages with stakeholders to inform its decisions.	This section details the main activities and outcomes of the Board in FY23 and how governance contributes to strategy.	Pages 111
	The Nomination Committee Report describes management of conflicts of interest.	Page 118
	The Group's purpose, strategy, Section 172 Statement and information on stakeholder engagement (including engagement with shareholders and employees) are set out in the Strategic Report. The Group's culture and values are set out in this report.	Pages 2 to 70 Page 112
Division of responsibilities		
The Chair leads the Board, the Executive Directors manage the business on a day-to-day basis, and the Non-Executive Directors provide constructive challenge and strategic guidance. Board policies and processes are in place to ensure that the Board functions effectively and efficiently.	This section outlines: • Board balance, the division of responsibilities and delegations; and	Pages 113 to 114
	• Chair and Non-Executive Director independence.	Page 115
	Membership of and attendance at the Board is given in Governance at a glance, and for the committees in the introductions to each of the relevant committee reports.	Pages 109, 116, 124.133 and 137
Composition, succession and evaluation		
The Board regularly reviews its composition to ensure it remains balanced. Board appointments are subject to a formal, rigorous and transparent procedure, and an effective succession plan is maintained for the Board and Senior Management. The Board undertakes an annual evaluation of its own effectiveness, that of its committees and of individual Directors.	This section details: • the main activities of the Nomination Committee and their outcomes;	Page 116
	• the process for Board appointments, succession planning and promotion of diversity and inclusion; and	Pages 117 to 121
	• Board and committee evaluation actions and outcomes.	Pages 122 to 123
	Information on the composition of the Board can be found in Governance at a glance and the Nomination Committee Report.	Pages 109 and 116
Audit, risk and internal control		
The Board is mindful of the risk environment in which it operates when making any decisions and has established formal and transparent policies and procedures to ensure independence and effectiveness of internal and external audit functions. The Board satisfies itself on the integrity of the financial and narrative statements, and that they present a fair, balanced and understandable assessment of the Group's position and prospects. It maintains sound risk management and internal control systems and regularly reviews the principal and emerging risks impacting the business. The Board assesses the appropriate appetite for risk in striving to achieve the Group's strategic objectives.	This section summarises: • the main activities of the Audit Committee and their outcomes;	Page 127
	• the significant issues the Audit Committee considered regarding the Financial Statements and how they were addressed;	Page 127 and 128
	• systems for risk management and internal control and the Audit Committee's review of their effectiveness; and	Pages 129 and 130
	• the Audit Committee's assessment of the independence and effectiveness of the external audit process and the reappointment of the external auditor.	Pages 130 to 132
	The Directors' Statement of Responsibility for a fair, balanced and understandable Annual Report and Accounts can be found at the end of the Directors' Report.	Page 171
	The Board's assessment of the Group's emerging and principal risks and information on how these are being managed, together with the Viability and Going Concern Statements, can be found in the Strategic Report.	Pages 71 to 100
Remuneration		
The Board, through its Remuneration Committee, determines Director and Senior Management remuneration policy and practice in a way that supports the successful delivery of the Group's strategy and promotes its long-term sustainable success. The Board ensures Executive remuneration is aligned to the Group's purpose and values.	This section sets out: • information on the Group's remuneration policy;	Pages 142 to 154
	• how it was operated during FY23, including performance-based remuneration outcomes, and how independent judgement and discretion, if any, was applied; and	Pages 159 to 163
	• how the remuneration policy will be applied in FY24.	Pages 156 to 158

Strategic priorities

- Great places
- Leading construction
- Investing in our people
- Customer first

Strategic principles

1. Keeping people safe
2. Being a trusted partner
3. Building strong community relationships
4. Safeguarding the environment
5. Ensuring the financial health of the business

Main activities undertaken during the financial year

The Board follows an annual agenda to ensure that all key matters are allocated adequate time for discussion. The routine duties of the Board are detailed in the schedule of matters reserved to the Board (which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance). A description of the key non-routine activities of the Board during the year and how these contributed to the delivery of strategy are as follows:

	Key activities and discussions in FY23 and outcomes
Purpose, strategy, values and culture Link to strategic priorities and principles: 1 2 5 Link to risk: C J	Considered and approved proposals for a new Purpose and Values for the Group for launch in FY24. Reinstated regional visits following COVID and attended sites within the London and Central regions. The Board met with Senior Management and site and sales office employees who provided an overview of the regional, divisional and site operations respectively. This enabled the Board to gain a better understanding of how culture is embedded in the business, and the challenges they face on a day-to-day basis. Considered the outcome of a review of its Modern Slavery and Human Trafficking Statement, approved the statement for publication and requested further work was undertaken to obtain positive confirmation the policies were being adhered to across the Group. The statement can be found on the home page of the Barratt website at www.barrattdevelopments.co.uk. Considered progress on diversity and inclusion within the business and discussed ways in which this can be further embedded in the business including establishing challenging targets for executive and senior management remuneration. As part of its discussions on driving sales within the current market conditions, the Board explored opportunities within the private rental sector. Accordingly, it agreed a contract to sell 604 homes to Citra Living, a subsidiary of Lloyds Bank, see page 26 for further details.
Business performance and resourcing Link to strategic priorities and principles: 1 2 4 5 Link to risk: A B D F K	Approved multiple investments in land. Further information can be found on pages 26 and 27. Monitored the progress of the Sustainability Committee in embedding sustainability in the Group's culture and strategy. Reviewed business resilience in light of the uncertain market conditions and agreed a number of mitigating activities (further information can be found on page 53. Reviewed the SHE plan of work, enforcement agency interventions, site monitoring, and IIR. Key areas of future focus were agreed and are set out on pages 133 to 136. Discussed Non-Executive Director succession, and the acceleration of the planned Chair succession. Approved the appointment of a new Non-Executive Director and Chair Designate, on the recommendation of the Nomination Committee. Reviewed the existing Revolving Credit Facility and agreed to extend it to 2025, linked to internal sustainability targets. Discussed the allocation of capital and dividend policy and agreed and completed a share buyback programme to return up to £200m of surplus capital to shareholders.
Risk management and internal controls Link to strategic priorities and principles: 1 2 3 5 Link to risk: F G I	Reviewed the Company's appetite for risk, identified emerging risks and reassessed the impact and likelihood of principal risks and uncertainties affecting the business. Agreed for management to co-operate with the CMA on their market study into land banking and planning, and to attend four deep dive sessions to provide the CMA with a better insight into the areas of land banks, planning, competition and management companies. Following signature of the Building Safety Pledge to address fire safety issues on buildings 11 metres and above in FY22, carefully considered the implications of entering into the Building Safety Pledge – Long Form Agreement and determined that it was in the best interests of the Company and its stakeholders to do so. Signed up to the Scottish Safer Building Accord, committing to remediate life-critical fire safety works in buildings over 11 metres that we have developed or refurbished over the last 30 years in Scotland.
Stakeholder engagement Link to strategic priorities and principles: 1 2 5 Link to risk: C E H	Reviewed relationships with stakeholders and their views and focus for engagement going forward. Reviewed the customer journey and suggested a number of elements for possible change. Considered how to support employees through the cost of living crisis and agreed monetary support for all employees below senior leadership level to the end of June 2023. Undertook a corporate broker tender, and appointed UBS as joint corporate broker with Credit Suisse Group AG. Following the merger of our joint brokers later in the year, appointed Barclays Bank PLC as joint broker in June 2023. Further details of engagement with our key stakeholders can be found on pages 54 to 65.

Principal risks

- A Economic environment
- B Land and planning
- C Government regulation and political risk
- D Construction quality and innovation
- E Supply chain resilience
- F Legacy properties
- G Safety, health and environment
- H Attracting and retaining high-calibre employees
- I Information technology
- J Environmental, social and governance
- K Business resilience and continuity

Corporate Governance Report continued
Board leadership and company purpose

Culture in the workplace

The Board sets the culture and tone from the top. It is responsible for ensuring that the right culture is embedded throughout the business, including in our dealings with stakeholders. It derives from our Vision and Purpose, which has been undergoing a review with the outcome due to be announced later in FY24. A strong culture that furthers our purpose, and is firmly embedded across the workforce, underpins our success through the following values agreed by the Board.

Our culture

Do the right thing Ensure what we do is in line with our policies and procedures, and in the interests of our stakeholders.	**Culture in action:** We have always believed leaseholders should not have to pay for necessary remediation to fix building safety issues, caused by the design, construction or refurbishment of their buildings. Following our signing last year of the Building Safety Pledge, we joined the first wave of developers to sign the Scottish Safer Buildings Accord developer commitment letter, further details of which can be found on pages 68 and 221. We have developed a model with the government to support the resettlement of Afghan refugees with 19 homes identified in tranche 1, and tranche 2 launched since the end of FY23. We are discussing ways to encourage other housebuilders to participate in the model. Further information on how we look after the interests of our stakeholders can be found on pages 57 and 58.
Customer focus Strive to meet the expectations and needs of our customers, both internal and external.	**Culture in action:** During FY23, we continued to monitor the impact of rising mortgage rates on our customers. Consequently, we adjusted the level of incentives on offer in order to better serve customers facing cost of living challenges. We also relaunched the Key Worker Deposit Contribution scheme, which was due to come to an end this year. We continue to engage with mortgage providers on Green mortgages, which would reward customers for purchasing our houses which are all EPC rated B or above. We have recently announced an agreement with Citra to develop a further 604 much needed high quality sustainable homes for private rental Further details can be found on page 26.
Resilience and adaptability Look for innovative ways to improve efficiencies across the organisation and recognise there is always room for improvement. Be willing to change the way we do things to meet the requirements of stakeholders and those set by legislation or regulation.	**Culture in action:** Customer demand for housing declined during FY23, and after satisfying the forward order book in the first half of the year, our teams switched their focus to carefully managing build cost inflation and maintaining disciplined investment in work in progress to match the fall in market demand.
Pride in what we do Aim to operate in a way that satisfies the expectations of our stakeholders particularly in terms of quality and service.	**Culture in action:** We have won multiple awards throughout FY23 for quality and service, including an HBF 5 star rating for the 14th consecutive year, and 96 NHBC Pride in the Job awards. These are detailed on page 15. We are particularly proud to be leading the industry in sustainability, including participation in the eHome2 project researching and testing new methods of construction to sustainably mitigate the effects of climate change.

How the Board measures and assesses culture

The Board measures and assesses culture using both internal and external KPIs, as follows:

- **Safety, health and the environment** – there is zero tolerance towards breaches relating to the health and safety of our employees, suppliers, sub-contractors and the general public. The Group is also conscious of the impact that its operations have on the environment. The Board is updated regularly on health, safety and environmental matters, and on any new or ongoing investigations and their outcomes. The SHE Audit compliance KPI, which underpins the quality and service annual bonus performance measure, is set out on page 17, and other environmental and safety targets are detailed on pages 16 and 17.
- **Customer satisfaction** – this is assessed using customer care survey responses and recommendation scores (KPIs can be found on page 16), which form part of the annual bonus performance measures for Executive Directors, and awards such as the HBF 5 star rating and NHBC Pride in the Job awards (details of which can be found on page 15), all of which are regularly reported to the Board.
- **Employee engagement survey** – a survey is conducted annually to assess how the business is meeting the expectations of its employees. It also contains several culture-related questions, to monitor and assess how well the culture is embedded. The results of the survey are reviewed by the Executive Committee and Senior Management team, as well as by the local teams, with key findings reported to the Board. The outcome of our latest employee engagement survey is detailed on page 35.
- **Employee retention** – our employees are our greatest asset. It is important that we do everything that we can to retain them, and this is one of the pillars of our people strategy. The Board monitors employee leaver numbers and reasons, and the steps being taken to attract, recruit and retain employees.
- **Policies and procedures compliance** – core governance policies are reviewed annually by the Board with employees required to regularly complete a variety of e-learning modules. Completion levels are reported to the Board. Business policies, processes and procedures are reviewed regularly. Our internal audit team conduct regular reviews of compliance with policies, processes and procedures, and test that they remain up to date. The team's findings are reported to the Audit Committee and ultimately to the Board. The internal audit team also provides updates to the Audit Committee on any matters raised via the Group's whistleblowing procedure (see page 130).

Board balance

Board roles and their responsibilities

Chair
Caroline Silver
- Leads the Board in the achievement of its objectives, sets its agenda and chairs its meetings.
- Shapes the culture in the Boardroom.
- Responsible for the effectiveness of the Board and its governance.
- Facilitates the effective contribution of Non-Executive Directors and constructive relations between Executive and Non-Executive Directors.
- Ensures the Board receives accurate, timely and clear information.
- Responsible for arranging inductions and continued development for the Directors.
- Ensures effective communication with shareholders and other stakeholders, and participates in corporate relations activities.

Senior Independent Director
Jock Lennox
The following are in addition to his role and responsibilities as an Independent Non-Executive Director.
- Available to shareholders, when required, to address any material issues or concerns which the Chair and/or Chief Executive have failed to resolve.
- Available to shareholders, when required, to listen to their views to gain a balanced understanding of their issues and concerns.
- Evaluates the performance of the Chair, at least annually, with the Non-Executive Directors, and leads the process for the Chair's succession.
- Acts as a sounding board for the Chair and, if necessary, an intermediary for the other Directors.

Chief Financial Officer
Mike Scott
- Develops and implements the Group's financial strategy and policies.
- Responsible for the management of the finance, tax, internal audit, treasury and investor relations functions.
- Supports the Chief Executive with his corporate relations responsibilities with shareholders and other stakeholders.
- Manages the Group's relationship with the external auditor.
- Manages the Group's relationships with its lending banks.
- Chairs the Risk Committee.
- Co-chairs the Workforce Forum.

Chief Executive
David Thomas
- Develops the Group's strategy for the enhancement of long-term shareholder return taking into account the needs of the Group's stakeholders.
- Leads the implementation of the Group's strategy approved by the Board.
- Responsible for the day-to-day leadership and management of the operational activities of the Group in accordance with overall strategy and policy as determined by the Board.
- Chairs the Executive Committee through which he carries out his duties.
- Oversees corporate relations with shareholders and other stakeholders.
- Responsible to the Board for sustainability policies and practices of the Group.
- Co-chairs the Workforce Forum.

Chief Operating Officer and Deputy Chief Executive
Steven Boyes
- Responsible for the Group's operations.
- Day-to-day responsibility for safety, health and environment issues, promoting the well-being of employees.
- Responsible for our procurement function and our land promoter business.
- Responsible for ensuring stakeholder requirements are appropriately addressed.
- Chairs the Operations Committee meetings, the other members of which include the Regional Managing Directors.
- Co-chairs the Workforce Forum.

Independent Non-Executive Directors
Katie Bickerstaffe, Jasi Halai, Jock Lennox and Chris Weston[1]
- Provide an appropriate level of scrutiny, and constructively challenge the Executive Directors, holding management to account and ensuring the needs of stakeholders are appropriately considered.
- Using the broad range of their experience and external perspective, provide specialist advice and an independent perspective in developing strategy.
- Monitor the implementation of the Group's strategy within its risk and control framework and ensure the integrity of financial reporting.
- Ensure that recruitment and succession planning is appropriate and mindful of diversity and balance.
- Review and refresh Remuneration Policy in the context of stakeholder interests, and ensure it is implemented appropriately.

1 Nina Bibby and Sharon White were Independent Non-Executive Directors during the year but stepped down on 17 October 2022 and 30 June 2023 respectively. Caroline Silver was an Independent Non-Executive Director from 1 June 2023 to 30 June 2023 when she succeeded John Allan as Chair.

Company Secretary
Tina Bains
- Supports the Chair and Chief Executive in fulfilling their duties especially in respect of induction, training and Board and Committee effectiveness evaluations.
- Available to all Directors for advice and support.
- Keeps the Board regularly updated on governance matters and best practice.
- Ensures Group policies and procedures are maintained and updated on a regular basis.
- Attends and maintains a record of the matters discussed and approved at Board and Committee meetings.

Corporate Governance Report continued
Division of responsibilities

Decisions, matters reserved to the Board and delegated authorities

The Board makes decisions on strategy and on items set out in the matters reserved for it. It also delegates various operational decisions to several Board and management committees (see below). The schedule of matters reserved to the Board and the Terms of Reference of the Board Committees are available on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. As sustainability is integral to the strategy of the business, details of the Sustainability Committee including members, attendance and actions, can be found in the Strategic Report on page 42.

Board Committee

Audit Committee

- Monitors the integrity of the Group's Financial Statements and formal announcements on its financial performance, including reviewing financial reporting judgements contained within them.
- Advises the Board on whether the Group's Annual Report and Accounts are fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- Provides oversight of non-financial information, including sustainability.
- Reviews the Group's internal financial controls and its systems for internal control and risk management.
- Monitors and reviews the independence, objectivity and effectiveness of the external auditor and the internal audit function, and reviews and recommends to the Board the reappointment, remuneration and terms of engagement of the external auditor.
- Develops and implements the Group's policy on the engagement of the external auditor to supply non-audit services.

Remuneration Committee

- Designs and implements the Group's overall remuneration strategy and policy, ensuring alignment with purpose and strategy.
- Sets the remuneration and determines the outcomes for the Executive Directors and Senior Management.
- Monitors performance of long and short-term incentive schemes against both financial and non-financial targets.
- Considers the remuneration and related policies, of the wider workforce when determining Executive Directors and Senior Management's remuneration and incentives.

Nomination Committee

- Monitors the composition of the Board and its Committees to ensure a balance of skills, experience and knowledge, and their progressive refreshment.
- Reviews succession plans for Board and Senior Management to ensure there is a diverse pipeline.
- Promotes diversity of Board Directors and Senior Management.
- Undertakes annual effectiveness evaluations of the Board, its committees and individual Directors.

Disclosure Committee

- Comprising any two of the Chief Executive, Chief Financial Officer and the Company Secretary, meets as required to ensure that the Company remains compliant with the requirements of the UK Market Abuse Regime.

Safety, Health and Environment Committee

- Focuses on the prevention and mitigation of key operational risks relating to SHE.
- Monitors compliance with the SHE management system.
- Oversees direction and implementation of SHE policies and procedures.

Sustainability Committee

- Reviews and scrutinises sustainability strategy and its implementation by the business.
- Reviews and approves plans by the business to mitigate risks and leverage opportunities relating to sustainability and climate changes.
- Develops and implements ESG policies and monitors compliance against these.
- Scrutinises sustainability performance incentives for consideration by the Remuneration Committee.
- Advises the Board on the appetite and tolerance with respect to ESG risks.
- Oversees carbon emission science-based targets and recommends changes where necessary.

Board

Chief Executive

Executive Committee

Chief Operating Officer

Group Management Committee

Risk Committee

- Reviews the effectiveness of the Group's internal control policies and procedures for the identification, assessment and reporting of risks.
- Assesses individual key risks on a rolling basis (including the identification of the Group's principal and emerging risks) together with the appropriateness of any mitigations.

Land Committee

- Reviews and approves all land acquisition and disposal proposals across the Group.
- Refers proposals to the Board for approval depending on the value of the land acquisition or its complexity, e.g. joint venture arrangements.

Treasury Operating Committee

- Reviews the Group's treasury arrangements and approval of changes to debt facilities.
- Obtains Board approval for certain types of facility and where the facility is above the levels delegated to the Treasury Operating Committee.

Allotment Committee

- Approves the allotment of shares within dilution limits and within the authorities obtained from shareholders.

Operations Committee

- Manages operational performance.

Safety, Health and Environment Operations Committee

- Develops the SHE strategy for the Group.
- Ensures that SHE policies and procedures are adequately implemented and adhered to.
- Monitors the effectiveness of the Group's SHE systems.
- Keeps up to date with changes in legislation surrounding SHE matters.

Board independence

All of our Non-Executive Directors were independent in character and judgement during the financial year, which is vital for them in carrying out their respective roles effectively. Caroline Silver was considered to be independent on appointment to the Board and on taking the role of Chair.

This year's review of Directors' conflicts of interest confirmed that none of the Non-Executive Directors have any business or other relationship with the Group (or other outside interests) that might influence their independence or judgement. None of the Non-Executive Directors, or the Chair, has been an employee of any Group company or had a material business relationship with them. None of them has close family ties with any of the Company's advisers, Directors or senior employees, or holds cross-directorships or has significant links with other Directors. None of them represents a significant shareholder.

The Board meets the Code requirement for at least half the Board (excluding the Chair), to be independent (as defined by the Code) Non-Executive Directors. A breakdown of the independence of the Board members is shown on page 109.

The Chair and each of the Non-Executive Directors have demonstrated their commitment to the business during the year, through their attendance at several unscheduled Board calls convened at short notice to discuss a variety of issues requiring decisions outside the normal scheduled meetings. The Chair and the Non-Executive Directors meet regularly without the Executive Directors being present, usually prior to or immediately following Committee meetings, and five of these meetings have been held during the financial year.

Internal controls and risk management

The Board monitors and regularly reviews the effectiveness of the Group's risk management and internal control systems, including controls related to the material financial, operational and compliance performance (see the Audit Committee Report on pages 124 to 132).

The internal audit team has developed a risk framework for all business functions, which has been approved by the Audit Committee. This framework forms the basis of the internal control audit plan for the year ahead, which tests if key controls are being applied effectively in each operating division. Material issues identified during internal audits and follow-up action plans are reviewed by the Executive Directors and by the Board. Any necessary actions are immediately taken to remedy any significant failings in the internal control system. Further details of the work undertaken by internal audit can be found on page 130.

The Group's system of internal control is designed to manage risks that may impede the achievement of the Group's business objectives, and identify and appropriately manage activities where there is a high risk of corruption (including bribery) amongst employees, partners or intermediaries, rather than to eliminate those risks entirely. The system of internal control therefore provides only reasonable, not absolute, assurance against material misstatement or loss. The system of internal control does, however, provide reasonable assurance that potential issues can be identified promptly and appropriate remedial action taken. Further details can be found in the risk management section of the Strategic Report (pages 71 to 100).

The Group operates internal controls to ensure that the Group's Financial Statements are reconciled to the underlying financial ledgers. A review of the consolidated accounts and Financial Statements is completed by management to ensure that the financial position and results of the Group are appropriately reflected.

The Board has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant. Therefore, a confirmation of necessary actions has not been considered appropriate.

Fair, balanced and understandable

The Board has considered and reflected on whether the Annual Report and Accounts are fair, balanced and understandable. As part of its considerations, the Board has:

- reflected on the feedback shareholders provided on our 2022 Annual Report and Accounts;
- set aside adequate time to review and discuss significant areas of the 2023 Annual Report and Accounts, assessing its tone, balance and language, while being mindful of the requirements of the Code and the need for consistency between the narrative section of the Annual Report and the Financial Statements; and
- considered the recommendation from the Audit Committee that the report was "fair, balanced and understandable". The process undertaken by the Audit Committee to support the Board's assessment can be found on page 129.

The Board endorses the recommendation of the Audit Committee that the FY23 Annual Report and Accounts are fair, balanced and understandable, and its formal statement on this is contained within the Statement of Directors' Responsibilities on page 171.

On behalf of the Board

Caroline Silver
Chair
5 September 2023

Nomination Committee Report

Board composition, succession and evaluation

Our approach to Board and Committee appointments, succession and evaluation

Caroline Silver
Chair of the Nomination Committee

Focus in the reporting year

- Undertook a robust recruitment process for the appointments of both Jasi Halai and Caroline Silver.
- Assessed the skills and diversity on the Board and its Committees.
- Reviewed the succession plans for the Executive Directors and Senior Management.

Priorities for FY24

- To further assess the composition (including size and diversity) of the Board and its Committees.
- Ensure completion of Caroline Silver's induction process.

Committee membership and attendance[1]

There were three meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

Attended / Did not attend

Committee members	Meetings attended
Caroline Silver[1]	
John Allan[2]	Attended, Attended, Did not attend
Katie Bickerstaffe	Attended, Attended, Attended
Jasi Halai[3]	Did not attend
Jock Lennox	Attended, Attended, Attended
Chris Weston[3]	Attended, Attended, Did not attend
Nina Bibby[4]	Attended
Sharon White[5]	Attended, Attended, Attended

1 Caroline Silver joined the Board and the Committee on 1 June 2023 and took over as Chair of the Committee with effect from 30 June 2023, and no Committee meetings have taken place since then.
2 John Allan did not attend any meetings or parts thereof where his succession was being discussed.
3 Jasi Halai (who was appointed on 1 January 2023) and Chris Weston were unable to attend the January meeting due to a prior commitment. Prior to the meeting, Jasi and Chris provided their views on the meeting agenda which were shared with the other Committee members during the meeting. Following the meeting they were briefed on the business of the meeting and any decisions taken.
4 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.
5 Sharon White stepped down from the Board on 30 June 2023.

Statement from the Chair of the Nomination Committee

I am pleased to present my first Nomination Committee Report having taken over as Chair from John Allan on 30 June 2023. It has been a busy year for the Nomination Committee with a number of changes taking place with the composition of the Board. I would like to thank John Allan and Jock Lennox for steering the Committee through each of these. Full details of the recruitment processes can be found on pages 119 and are summarised below.

The Nomination Committee has throughout FY23 acted in accordance with its Terms of Reference (see page 118) as delegated to it by the Board. The responsibilities of the Nomination Committee are summarised on page 118.

Board changes and succession planning

Following a thorough recruitment process the Nomination Committee appointed Jasi Halai as a Non-Executive Director with effect from 1 January 2023. Jasi succeeds Nina Bibby who, having completed nine years of service, stepped down from the Board at the AGM in October 2022. In addition, the Nomination Committee undertook a robust recruitment process to appoint me as a Non-Executive Director and Chair to take over from John Allan, who stepped down from the Board on 30 June 2023. This search was led by Jock Lennox, and John Allan did not attend any meetings whilst his succession was being discussed.

I would like to take this opportunity to thank Jock for chairing the additional meetings held to discuss and come to a decision on the acceleration of the planned Chair's succession and for guiding Board members through the process seamlessly.

As announced in January 2023, Sharon White stepped down earlier than expected as a Non-Executive Director on 30 June 2023, in order to reduce her non-executive commitments. Sharon made a significant contribution to the Board during her five years with us, including in the last few years as the Designated Non-Executive Director for Workforce Engagement. I will be taking over as the Designated Non-Executive Director for Workforce Engagement.

We are pleased that Nigel Webb has agreed to join the Board as a Non-Executive Director with effect from 1 October 2023. Nigel brings a wealth of experience and knowledge in property, construction and land which complement the existing skills on the Board and address some of the skills gaps identified.

The Nomination Committee will continue to undertake detailed work on succession planning at Board, Senior Management and junior levels to ensure we have a sufficiently diverse pipeline and the right skills and experience to drive our strategy forward.

Skills and experience of the Board

As part of the recruitment process for the new Non-Executive Director and the new Chair, the Nomination Committee reviewed the composition, skills, experience and diversity of the Board and its Committees. This highlighted the need to identify candidates with skills in, amongst other areas, financial experience to support the Chair of the Audit Committee, which both Jasi Halai and I possess. A further review of skills was carried out during FY23, and it was agreed that any further recruitment would focus on land/construction, which will be addressed with the appointment of Nigel Webb.

Diversity and inclusion

The Nomination Committee fully understands the importance of having diversity on the Board, not only in terms of skills and experience but also female and ethnic representation. The Nomination Committee and the Board were therefore disappointed when more than 20% percent of votes were cast against the re-election of John Allan at the 2022 AGM. Having engaged with those shareholders who voted against, it was evident that this was due to the fall in the level of female representation on the Board following Nina Bibby's departure. They did however acknowledge that had they been aware of the recruitment process ongoing at the time, the shortlist for which consisted entirely of female candidates, they would have voted in favour of the resolution.

As set out earlier in my statement, since the October 2022 AGM, various changes have been made to the composition of the Board. With my appointment as Chair and of Jasi Halai as a Non-Executive Director, we meet the recommendations to have a woman in a senior Board position (Chair, CEO, CFO or SID) and to have at least one member on the Board from a minority ethnic background (as defined by the FTSE Women Leaders Review and the Parker Review). Our female representation reached 40% on 1 June 2023, when I joined the Board. As a result of the early departures of Sharon White and John Allan, our female representation on the Board is currently at 37.5%. At the point of making an offer to Nigel Webb to join as a Non-Executive Director, the Nomination Committee was conscious that female representation on the Board would fall to 33.33%. The Nomination Committee, and subsequently the Board, decided that Nigel was the best candidate for the role given that he possesses the skills, knowledge and experience in property, construction and land which complement those of the existing Board members. We are however fully committed to meeting the recommendation to have at least 40% female representation on the Board by the end of 2025. This is a key priority for the Nomination Committee and the Board.

Information on the Board's diversity targets as required by the UK Listing Rules, together with accompanying numerical data, is set out on page 120. In addition, the Nomination Committee has reviewed its Board diversity policy, which applies to the Board and its committees, to ensure it remains fit for purpose.

The Nomination Committee also ensured that the Board considered whether diversity and inclusion across the wider business was being progressed satisfactorily. This review included talent succession and attraction, and the business' credentials as a diverse and inclusive employer. Further information on the Company's progress on diversity and inclusion initiatives can be found on pages 120 and 121 and in the Strategic Report on pages 35 and 36.

FY24 priorities

Our key priorities for FY24 are the continued focus on succession planning and training, particularly given the recent changes to the Board. From FY24 onwards, it has been agreed that diversity and inclusion at all levels across the business will be a matter for the Board to monitor directly rather than through the Nomination Committee. The respective Terms of Reference have been updated accordingly.

Further details of the work undertaken by the Nomination Committee during the year are set out on the following pages.

Caroline Silver
Chair of the Nomination Committee
5 September 2023

Nomination Committee Report continued

Nomination Committee role and activity FY23

Membership and attendance at meetings

The membership of the Nomination Committee and the attendance at each of its scheduled meetings is set out on page 116. The majority of Committee members are considered independent by the Company and in accordance with the Code. Their biographies and qualifications are shown on pages 104 and 105.

Role and main activities undertaken by the Committee during the financial year

The Nomination Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to its annual tasks, such as the review of its Terms of Reference, effectiveness and approval of this report, the Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
Governance	Reviewed the need for training and development in areas identified by Board members including, but not limited to, digital security and technology, Government relations, ESG/Climate.
Composition and Succession	Considered candidates and proposed the appointment of an additional Non-Executive Director and Chair designate. Considered succession plans for Non-Executive Directors, Executive Directors, Executive Committee and Regional Managing Directors, taking into account the need for diversity. Further information can be found above.

Directors' conflicts of interest

The Board has authorised the Nomination Committee to oversee the process for reviewing and making recommendations to the Board concerning any actual or potential conflicts of interest that may arise for any Board member, including details of any terms and conditions that it deems necessary to impose on any authorisation given. Throughout FY23, the Company Secretary maintained a register of Directors' conflicts of interest. A summary of this register was reviewed at each Board meeting so that it continues to remain accurate and current. The full register is reviewed annually by the Nomination Committee, and recommendations are made to the Board regarding any changes to the authorisations that may be required. The Board, when authorising any conflict or possible conflict of interest, does not count in the quorum the Director whose conflict or possible conflict is being discussed and reserves the right to exclude a Director from a meeting whilst a conflict or possible conflict is being considered. The Board may revoke or vary any authorisation at any time. The procedures have operated effectively during the year.

Board changes and succession planning

Succession planning is a live topic at Board and Nomination Committee meetings. All appointments and succession plans are objective, based on merit and the need to promote diversity.

For Non-Executive Directors, the Nomination Committee annually reviews the length of service for each, to determine if a new appointment needs to be made. The Nomination Committee takes into account the cyclicality of the business, as lessons gained through one property cycle can be useful during the next.

For Executive Directors, the Nomination Committee will annually discuss the succession plans for the other Executive Directors and Senior Management below Board level with the Chief Executive. This process helps to identify suitable individuals who could be able to fill senior managerial or Board positions in the future and to determine and address their development needs. As part of their development, senior managers are invited to attend part of a Board meeting to present on their specialist area. This also enables the Board to assess the quality of internal talent, and the individual to get a greater understanding of the workings of the Board.

Succession plans are in place across the business for the wider workforce and our work on developing our employees is set out in the Strategic Report on pages 35 to 39. When considering succession plans, the Board remains cognisant of the need to ensure that there is a diverse range of individuals included in the plan. The business continues to promote diversity and inclusion from within, and further details of the work that has been undertaken in this area can be found on pages 35 to 39.

Board appointment process

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
The Nomination Committee reviewed the length of tenure of each Non-Executive Director, determined the gaps in experience and considered the existing balance of gender, ethnicity and social backgrounds on the Board to help identify the need to recruit. With Nina Bibby stepping down in October 2022 and John Allan due to complete nine years' service in August 2023, the Nomination Committee agreed to continue the process to identify and appoint at least one Non-Executive Director and a new Chair.	The Nomination Committee reviewed and approved an outline brief and role specification, and appointed Russell Reynolds[1], to identify suitable candidates from a diverse pool of individuals. The Nomination Committee delegated authority to two sub-committees to select candidates for a shortlist. The first was led by John Allan (for the Non-Executive Director) and the second by Jock Lennox (for the Chair).	The short-listed candidates met with the respective sub-committee of the Nomination Committee, with the preferred candidates going on to meet the remaining members of the Board.	The Nomination Committee agreed the preferred candidates for each position, based on the range of skills, experience and knowledge that complemented those of the existing Board members and recommended the same to the Board.	The Board considered each candidate on their merits and approved the appointment of Jasi Halai as a Non-Executive Director with effect from 1 January 2023 and Caroline Silver as a Non-Executive Director and Chair Designate with effect from 1 June 2023.

1 Russell Reynolds Associates are occasionally requested to assist the Company with searches for senior management positions. They have no other connection with the individual Directors or the Company. Russell Reynolds Associates is accredited by the Enhanced Voluntary Code of Conduct for Executive Firms for its support to FTSE 350 Boards in increasing gender diversity. It is also a Co-Founder of The 30% Club, an advocate for improved gender balance on boards. Specific guidance was given to Russell Reynolds Associates to ensure diversity within the candidate long and short lists whilst identifying candidates who had the relevant skills and experience required on the Board.

Induction

Jasi Halai has been through a detailed induction process and Caroline Silver is part way through hers. The induction process was designed to give each of them a good understanding of the business and how it operates to help them fulfil their respective roles effectively. As part of this, they received a comprehensive induction pack, and had meetings with each of:

- the other Board members;
- the Company Secretary;
- members of the Executive Committee;
- the Regional Managing Directors and teams (at the Regional offices);
- heads of key Group functions;
- key external corporate advisers; and
- the external auditor.

Their inductions also included site visits, and details of other opportunities available as part of the induction process. John Allan met with Jasi Halai to listen to her views and feedback on the induction process, which was seen to be comprehensive and well structured. Jock Lennox and/or the Company Secretary will meet with Caroline Silver to gain her views on her induction process once completed.

Q&A with Caroline Silver - Chair and Jasi Halai - Non-Executive Director

We asked both Caroline Silver and Jasi Halai about their experience of joining Barratt.

What were your first impressions of the business when you were approached?

Caroline: When I was first approached for the role, I knew very little about housebuilders. As I looked, I saw a company that leads the industry, in terms of quality, customer and sustainability and is operationally and financially strong.

Jasi: I was impressed by Barratt's 60-year history, and its focus on innovation in construction. I was also interested in Barratt's commitment to building sustainably for people, nature and places, whilst providing sustainable financial returns for shareholders.

What made you decide to join the business?

Caroline: I was impressed with the diversity of background and experience on the Board and the Non-Executive Directors' understanding and involvement. It was clear the executive team are professional, experienced, purpose driven with high integrity and committed to the long-term success of the Company. This was key for me. The key advisers I met endorsed the impression I had of a financially and operationally sound company, with a great team and plenty of ambition.

Jasi: Barratt's vision and impact, its contribution to the UK economy and the communities in which it operates. Barratt creates great places to live, leaving a legacy in every project it delivers, and its regeneration projects are commendable.

What skills and experience do you bring to the role?

Caroline: I have considerable experience in chairing boards to obtain the best from colleagues, working together in a challenging yet supportive way. I am experienced in helping shape strategy and vision and my financial background is helpful. I bring lots of experience in working with investors.

Jasi: I bring particular expertise in finance and accounting, with financial planning and analysis to the role.

How have you found the induction process?

Caroline: It is well organised. I am spending time with every member of the leadership team and am enjoying getting out and about across the business, meeting colleagues and better understanding the culture of the business and the challenges they face.

Jasi: Extremely welcoming, insightful and effective. I have been pleasantly surprised by how Barratt delivers. Its people take pride in what they do and this has been very evident not only through the Board and Committee meetings I have attended but also through the site visits I have conducted.

Nomination Committee Report continued

Reappointment and re-election of Directors

Non-Executive Directors are appointed by the Board for up to three three-year terms subject to annual shareholder re-election and a particularly rigorous review prior to a third term being agreed. Non-Executive Directors will normally step down from their position on the Board and its Committees at the AGM following their ninth anniversary. The length of tenure of Board members is shown on page 109. Each of the Directors has been subject to a formal performance evaluation process during the year, as set out on page 123. The Nomination Committee and the Board are satisfied that each Director continues to be effective in, and demonstrates commitment to, their respective roles. All Directors will be standing for election or re-election at the forthcoming AGM. Biographical details of each of the Directors are set out on pages 104 to 105 of this report, along with reasons why their contribution is, and continues to be, valuable to the Company's long-term sustainable success, and can also be found in the Notice of the 2023 AGM.

Diversity and inclusion

Board diversity

During the year, the Board reviewed its policy on diversity and inclusion. The objective of the policy is to ensure that diversity is reflected within the composition of the Board and throughout the business in its broadest sense, including gender, ethnicity, age, disability, religious belief, sexuality, social class, education experience and ways of thinking. The policy aims for continuous improvement at Board and Senior Management level on all these elements of diversity and to identify the most suitable candidate to join the Board having regard to the individual's skills, experience and knowledge. It also seeks to ensure that, in managing any senior appointment and in succession planning more broadly, the Nomination Committee has regard to the recommendations of the Parker and the McGregor-Smith reviews on ethnicity and race and the benefits of diversity, including gender, ethnicity, social background and cognitive and personal strengths. A copy of our Board diversity policy can be found at: www.barrattdevelopments.co.uk/sustainability/our-policies.

A full explanation of the diversity on the Board and the steps being taken to improve our position are set out in the Nomination Committee Chair's report on page 117. In accordance with the Listing Rules, the following tables detail the diversity profile of the Board and the Executive Committee as at 30 June 2023. This data was collated from our HR database which has been populated using information provided by each individual employee, including Non-Executive Directors. Individuals are asked to select from a series of options on both sex/gender and ethnicity including the below options. Diversity information for employees below the Executive Committee can be found on pages 35 to 39.

Reporting table on sex/gender representation as at 30 June 2023[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	62.5	3	5	71.4
Women	3	37.5	1	2	28.6
Not specified/prefer not to say	0	0	0	0	0%

Reporting table on ethnicity representation as at 30 June 2023[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	7	87.5	4	5	71.4
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	1	12.5	0	1	14.3
Black/African/Caribbean/Black British	0	0	0	1	14.3
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

1 A full explanation regarding diversity is provided in the Chair's Statement on page 117 of this report.

Diversity and inclusion throughout the business

The Nomination Committee and the Board recognise the importance of a diverse workforce, at all levels of seniority. Promoting diversity at Senior Management level, and more generally across the workforce, remains an objective for David Thomas, our Chief Executive. David, together with the new Group HR Director, will continue to support the Group Head of Diversity and Inclusion, to drive the agenda forward in this area and undertake a full review of the overall strategy for 2025. The Group's aim is for its employee profile to mirror that of the communities in which it operates and provide an inclusive culture, where everyone can thrive. Further information on the Group's progress on diversity and inclusion can be found on pages 35 to 39. The main objectives, how they are implemented and progress towards them are set out below.

Objectives	Implementation	Progress
Talent: HR processes that support a wide range of skills and backgrounds	Ensure we have a detailed understanding of our people Review the HR lifecycle activity and ensure it is inclusive Tailored support programmes and early careers	A deep dive of data has been undertaken to identify our levels of representation by grade, role and function for all divisions and Group Service Centre teams. This is reported monthly and reviewed in a quarterly scorecard to track change. We also review HR lifecycle data by gender, ethnicity, sexual orientation and disability, from application through employee engagement and exit interview data, to ensure a full understanding of the employee experience for all. Across the HR lifecycle we have made changes to ensure a more inclusive approach, including a review of our preferred supplier list for resourcing agencies, embedding Dignity & Respect into all our talent and early career programmes, a review and update of family friendly policies and externally delivered exit interviews. Catalyst, a female support programme, has run for another successful year and has been joined by Spotlight our support programme for ethnic minority colleagues. Employees are encouraged to self nominate and the sessions are externally facilitated.
Leadership: Role models & allies – leading the change	Leading inclusivity workshops Support difference – Employee network sponsorship Reverse mentoring	All Regional and Managing Directors have received face-to-face workshops, with external facilitation on creating Dignity and Respect for all and how they create psychological safety. Each of our Employee Networks has an Executive Committee member as their sponsor, who supports the activities and objectives of the respective group. Both our gender and ethnicity support programmes include mentoring, which is an opportunity for both our leadership mentors and the programme mentees to share and learn. We were delighted to take part in the inaugural 30% Club, Change the Race Ratio programme, which includes cross-organisational mentoring for high potential talent by the Chief Executive.
Shift attitudes: Support our people's understanding to create the right experience for all	Hear the employee voice Role models and celebrations Zero tolerance on lack of dignity & respect	We have five Employee Network groups, offering a range of activities from webinars, leading discussions, marking of key events and signposting support – Gender, Ethnicity & Religion, Disability, Families (including Carers) and LGBT+. Each network is sponsored by a member of the Executive Committee. We have updated our policy, embedding zero tolerance and shared this through the business via a range of communication channels. Please refer to pages 51 and 55 to 56 for more information on the workforce forum.

Nomination Committee Report continued

Board and Committee evaluation

Each year, the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. Every three years, the Board undertakes an externally facilitated evaluation. The last one was carried out in 2022. This year's evaluation was carried out internally by the Company Secretary. The next external evaluation is scheduled to be carried out for FY25.

Progress on FY22 evaluation

Progress made against the outcomes of the internal Board evaluation undertaken in FY22 is set out below:

The Board

	Strategy	Diversity and inclusion	Board papers
FY22 outcomes	To hold a strategy day for Directors.	To further embed Diversity and Inclusion throughout the organisation.	To further shorten and standardise papers for Board and Committee meetings.
Progress made in FY23	The format for a strategy day has been agreed. However, due to the change in Chair this will take place in FY24.	Agreed our Diversity and Inclusion strategy to 2025, and supported its rollout across the Group. Requested annual updates on the progress being made as well as regular review of the strategy to ensure it remains fit for purpose.	The Company Secretary, with support from the Chief Executive and the Chair, has worked with paper authors to streamline content and make better use of Executive summaries. This process will continue to evolve during FY24.

Key areas of improvement for the Committees

	Nomination Committee	Audit Committee	Remuneration Committee
FY22 outcomes	Succession for all Directors, but in particular the Executive Directors, and members of Senior Management remains a key priority.	Consider increasing the number of Audit Committee meetings held during the year. Consider increasing the number of private meetings with the Chief Financial Officer (who is relatively new to the business and whose agenda is evolving), and with the Head of Internal Audit due to the increased level work being undertaken around internal controls and assurance in readiness for the implementation of the audit reform recommendations.	Consider if there are any ways in which the Committee could change their overall approach to remuneration to better support the long-term sustainability of the business.
Progress made in FY23	Established an action plan and allocated more time to succession planning.	Kept under review the time allocated to agenda items to ensure that the Committee had adequate time to consider and discuss each item appropriately. Increased the number of private meetings with each of the Chief Financial Officer and the Head of Internal Audit to two per financial year.	During the year, with support from PwC, the Committee has continually considered how to improve its approach to remuneration, in particular, how it can best support and retain employees within this cyclical business.

Board and Committee evaluation process for FY23

Stage 1	Online questionnaires issued to Board and Committee members, and also to those who attend Committee meetings on a regular basis.
Stage 2	The Company Secretary reviewed the responses received and prepared a consolidated report for each of the Board and its Committees to consider.
Stage 3	The reports were shared with each of the respective chairs.
Stage 4	Results were presented and discussed at the June or August Board and Committee meetings.
Stage 5	Actions for improvement were agreed for the next financial year, as set out below.

FY23 Board effectiveness evaluation outcomes

Overall, the results of the evaluation were positive and showed that the Board continues to be run effectively. It is seen as being cohesive and comprising the appropriate balance of experience, skills and knowledge to implement the Group's strategy over the short term. Board meetings operate in a spirit of openness, fostered by the Chairman, in which Directors are able to challenge and discuss openly ideas of importance to the Group, its strategy and risk.

Key areas of improvement for the Board

	Board composition	Strategy	Diversity & Inclusion
FY23 outcomes	To ensure that the Board continues to have the appropriate skills, experience and diversity to help drive the Group's strategy forward.	To review the existing strategy, market evolution and future direction of the business.	Focus on further developing the Group's Diversity & Inclusion agenda and increasing diversity on the Board and throughout the business.
Actions for FY24	To continue to work closely with the Nomination Committee in assessing the skills, experience and diversity required on the Board.	The Board to re-consider strategy and future direction on an ongoing basis as the market evolves.	Support the Group Head of Diversity and Inclusion to drive the Diversity & Inclusion agenda through setting challenging yet achievable targets which will promote engagement and focus on this area across the business.

The Committees

	Nomination Committee	Audit Committee	Remuneration Committee
FY23 outcomes	Continue to focus on Board, Executive Directors and Senior Management succession.	To hold additional deep dive and training sessions to support the Committee's understanding of current and emerging topics, including the impact of potential changes to the various governance and audit landscape. To continue to consider the structure of meetings to ensure that there is sufficient time allocated to address changes that may be required to the Committee's remit in response to the implementation of any governance and audit proposals during FY24 or beyond.	Consider ways to streamline the metrics used for short and long-term incentive schemes.
Actions for FY24	To continue to assess the skills and experience required on the Board and its Committees and make changes to their composition as deemed appropriate, being mindful of the requirements for diversity on the Board. To continue with the succession planning meetings with the Chief Executive.	To determine an agenda of deep dive and training sessions for FY24. To review the annual agenda taking into account potential changes to the Committee's remit that may be required and determine if the current structure remains fit for purpose.	To revisit the rationale for including the metrics within the short and long-term incentive schemes and ensure that they continue to align to the Group's strategy and ultimately remain fit for purpose. Any changes to the metrics for Executive Directors' incentive schemes to be discussed with shareholders and voting proxy agencies prior to the change being put into effect.

Evaluation of individual Directors

The evaluation of the effectiveness of John Allan as Chairman was conducted by the Senior Independent Director with assistance from the Company Secretary in May 2023. John was seen as being supportive but challenging, managing meetings with professionalism and ensuring each Director had the opportunity to express their views. Despite his other commitments, John was seen to be available and flexible, maintaining a high level of engagement with the Company, management and members of the Board. During FY23, the Chairman held one-to-one meetings with each Director to assess the effectiveness of their contributions, the appropriateness of their experience and the effectiveness with which they utilised that experience in furthering the Company's strategy. Any areas of improvement or training and development were agreed. There were no issues of any substance arising from these meetings.

This report forms part of the Corporate Governance Report and is signed on behalf of the Nomination Committee by:

Caroline Silver
Chair of the Nomination Committee
5 September 2023

Audit Committee Report

Audit, risk and internal control

Our approach to managing risk

Jock Lennox
Chair of the Audit Committee

Focus in the reporting year

- Further strengthened our approach to risk management and internal control.
- Continued to assess the impact of the changing business environment.
- Monitored and assessed the accounting for and control over provisions for legacy buildings.

Priorities for FY24

- Review the annual cycle of work for the Committee in view of the extending reporting requirements.
- Continue to scrutinise control and provisions for legacy buildings.
- Continue to consider the implications of any changes in the housing market.

Committee membership and attendance

There were four Audit Committee meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the Committee.

Attended / Did not attend

Committee members	Meetings attended
Jock Lennox	Attended, Attended, Attended, Attended
Katie Bickerstaffe	Attended, Attended, Attended, Attended
Jasi Halai[1]	Attended, Did not attend
Chris Weston	Attended, Attended, Attended, Attended
Nina Bibby[2]	Attended
Sharon White[3]	Attended, Attended, Attended, Did not attend

1 Jasi Halai was appointed on 1 January 2023, and was unable to attend the January Committee meeting due to a prior commitment. Prior to the meeting, Jasi provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting, she was briefed on the business of the meeting and any decisions taken.

2 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.

3 Sharon White was unable to attend the June meeting due to another commitment. Prior to the meeting Sharon provided her views on the meeting agenda which were shared with the other Committee members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Statement from the Chair of the Audit Committee

I am pleased to present the Audit Committee's report for the year ended 30 June 2023. This sets out our work and how our responsibilities in relation to audit, risk and internal control have been implemented. In performing our duties, we have complied with the requirements of the Code and followed FRC best practice guidance. We work closely with our finance and internal audit teams, and with Deloitte LLP, our external auditor, which helps us to ensure that our internal control processes remain robust and continue to adapt, our financial reporting remains clear, and our critical accounting judgements and key sources of estimation uncertainty are appropriate.

Areas of focus FY23

In last year's report, I set out our priorities for this year and I am pleased to update these as follows:

Risk management and internal control

During the year, the Committee continued to support the Chief Financial Officer, Mike Scott, in embedding the Group's risk management strategy, including a reassessment of the Group's principal risks, details of which can be found on pages 71 to 77.

We have continued to monitor the rollout of the Group's Risk & Internal Control framework (BRICk), as well as further projects to improve the internal control environment and business continuity planning and develop further the risk management process. This included updating our Group & Operational Finance Policy and BRICk, to further enhance our Internal Controls over Financial Reporting (ICoFR).

The linkage of principal risks with mitigating controls and related assurance mapping is now a key foundation to the work of the Committee and the reporting undertaken on risk and control.

Restoring Trust in Audit and Corporate Governance

The Committee has continued to monitor the developments in the debate around Corporate Reporting and Audit Reform. The debate's progress has been slow, nevertheless we have kept an eye on the potential for change and sought to build constructive ideas into the reporting and work of the Committee. Our draft Audit and Assurance Policy continues to evolve and the principles are guiding our approach to assurance on sustainability and non-financial statement reporting. The potential for further developments will be kept under review.

Legacy Properties

At each meeting management has updated the Committee on its assessment of the Group's exposure to the risks derived from both fire safety relating to external wall systems (EWS) and the remediation required to reinforced concrete frames. In particular, careful consideration was given to whether any of the increased costs recorded in the year should have been recognised in the prior year, following which the Committee concluded that they all related to FY23. Further, in view of the identification of new developments requiring investigation relating to reinforced concrete frames, the Committee received a report from management on the associated cause and costs. The Committee agreed the scope of an assessment of the controls in this area to be undertaken in the coming months. Estimating the cost to remediate EWS and reinforced concrete frames continues to be a highly judgemental and complex area as the Group undertakes to fulfil its commitment to do the right thing. The Committee's priority is to ensure that the level and use of the relevant provisions and the related disclosures, including being classified as adjusted items, remain appropriate.

Key areas of focus for FY24

We will continue to monitor and assess the potential impact of the changes for Governance and Audit emanating from the Audit Reform debate. We welcome the consultation on the changes proposed to the UK Corporate Governance Code and will be considering the cost of implementing these as we comment.

We will continue to assess the provisions for legacy properties, in particular the judgements underpinning the provisions and their utilisation. We will receive the report from management on their further assessment of controls relating to reinforced concrete frames and consider any recommendations for improvement.

In light of the continuing increase in reporting and scrutiny over reporting on financial performance, risk, controls and, sustainability, we will review the annual cycle of the Committee and consider whether any enhancements or adaptations would be beneficial.

Jock Lennox
Chair of the Audit Committee
5 September 2023

Audit Committee Report continued

Role and activity of the Audit Committee

Membership and attendance at meetings

Details of the members and attendance at each of the Committee's scheduled meetings is shown on page 124, and the biographies and qualifications of the members are shown on pages 104 and 105. In compliance with the Code, the Committee is comprised exclusively of Non-Executive Directors, and each member is considered to be independent by the Company. The Chairman of the Board is not a member of the Audit Committee. The Board is satisfied that Jock Lennox and Jasi Halai have recent and relevant financial experience. Jock is a Chartered Accountant who has previously chaired several other listed companies' audit committees. He has also been the Chair of the Audit Committee Chairs' Independent Forum since 2016. Jasi Halai, Chief Operating Officer and an Executive Director at 3i Group plc, whom we have recently welcomed to the Audit Committee, is a Chartered Management Accountant and has held a variety of posts at 3i, most recently as Group Financial Controller. She was also a NED and Chair of the Audit Committee at Porvair plc. As part of the effectiveness review, details of which can be found on page 123, the Nomination Committee was satisfied that the Audit Committee has the appropriate skills and experience relevant to the sector in which the Group operates.

In addition, the Company Secretary, Head of Internal Audit, Group Director of Finance, Chair of the Board, Chief Executive, Chief Operating Officer, Chief Financial Officer and representatives from our external auditor, attended each of the Committee meetings. Other Executives and senior managers attended when appropriate for specific agenda items.

After each meeting, the Chair of the Committee reported to the Board on the business undertaken by the Committee and made recommendations to the Board as appropriate. The Committee met the Chief Financial Officer, the Head of Internal Audit and the external auditor separately and independently of management. In addition, the Chair of the Committee separately meets with the external auditor and key management and senior financial managers outside formal meetings.

Role and main activities undertaken by the Committee during the financial year

The main role of the Committee is to assist the Board in fulfilling its governance obligations relating to the Group's financial and non-financial reporting practices and its internal control and risk management framework. It follows an annual work programme to ensure that its roles and responsibilities are completed throughout the year. In agreeing the annual programme, the Committee considers the external environment, internal operation of the business and regulatory changes to ensure that all the main priorities are included.

The Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to the tasks it carries out annually, the Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
Integrity of Financial Statements and announcements	Considered management's analysis of the costs associated with legacy properties and their presentation in the Financial Statements, concluding that they remain appropriately provided and disclosed. This included matters in relation to EWS; in England following the signing of the LFA in March 2023, in Scotland following the signing of Scottish Accord in May 2023, and also our commitments in Wales, each with differing commitments affecting their presentation in the accounts. In addition, matters in relation to the reinforced concrete frame review were considered and scrutinised. Particular consideration was given to management's analysis that the increased costs appropriately relate to the current year, with which the Committee agreed. Considered the carrying value of goodwill and concluded that no impairment was required. Reviewed the level of third party assurance over the Group's non-financial published information, including TCFD and certain climate-related information, and confirmed that it was appropriate. Reviewed the Annual Report and Accounts to ensure it appropriately messages the performance of the business. Ensured the style and messaging is an appropriate evolution from the prior Financial Statements and announcements, whilst being in line with the wider Board strategies & communications and the Group's statutory requirements. Considered the use of APMs to ensure they properly reflected the underlying trading performance of the Group during the year and concluded that the APMs and the associated disclosures were appropriate.
Risk management and Internal control systems	Monitored improvements to the Group's Risk Management Framework to strengthen the Risk Committee. This included the reassessment of the Group's Principal Risks as set out on pages 71 to 77. Monitored the progress of a Controls Optimisation Project to optimise, rationalise and improve our internal control framework and key internal controls across the business. Considered the new Group & Operational Finance Policy and BRICk and the ongoing programme of work to develop and enhance our Internal Controls over Financial Reporting (ICoFR). Received a report from management on the cause and cost of the recent experience related to reinforced concrete frames and agreed the scope of an assessment of the controls in this area to be undertaken in the coming months. In light of uncertainties in the housing market during FY23, reviewed sensitivity analyses on a range of possible outcomes, including in sales rates and average selling prices and their impacts on the business as a going concern, its viability, and reviews of goodwill, land and work in progress for potential impairment.
Internal audit	Following the IIA assessment last year, the Committee reviewed progress against the recommendations, and reviewed the internal quality self-assessment carried out by the internal audit function against IIA standards for FY23, and concluded that the internal audit function continues to be effective. Challenged how the methodology for delivering significant business change projects should be assessed and how it was being applied, resulting in a review of the broader business change strategy and relevant roles and responsibilities. Approved the annual review and updates to the Risk Assurance Map setting out the assurance provided by each of the three lines of defence over the effective management of the Group's principal risks. Reviewed the output of the annual fraud risk assessment including management controls in place to mitigate the risks identified.
External audit	Reviewed the outcome of the Group's external audit quality indicator assessment. Oversaw the induction of the new Deloitte lead audit partner. The Chair of the Audit Committee met with the Deloitte audit team to discuss their audit plan and risk assessment.
Governance	Reviewed an update to the finance strategy presented by the Chief Financial Officer, advising on improvement options. The Committee will continue to monitor the finance strategy as it evolves. Reviewed the new Document Retention Policy, including piloting the implementation of software to facilitate the identification of data which could be at risk of being outside policy.

FY23 Financial Statements

Significant issues considered during the financial year

The issues considered by the Committee to be the most significant (due to their potential impact on the performance of the Group's activities) in relation to the Financial Statements during the financial year are set out below.

Audit Committee Report continued

FY23 Financial Statements continued

Significant issues considered during the financial year continued

1. Critical accounting judgements and key sources of estimation uncertainty

These are set out in the table below and on the following page.

2. Going concern

The Committee:

- concurred with management's conclusion, and recommended to the Board, that the Company and the Group continue to be a going concern and that the Financial Statements should be prepared on a going concern basis;
- using the Group's business plan, assessed the Group's available facilities, headroom and banking covenants;
- reviewed management's detailed analysis, which included forecasts, scenarios and sensitivities;
- considered the going concern requirements of the Code to ensure compliance; and
- continued to monitor market conditions to ensure any appropriate adjustments are reflected.

The Committee also reviewed management's viability assessment of the Group and agreed that it was appropriate.

Further details on the Group's going concern and viability assessments can be found in note 1 on pages 188 and 189, and the Group's Going Concern and Viability Statements can be found on pages 99 and 100.

3. Financial reporting

The Committee reviewed the integrity of the Financial Statements of the Group and the Company, and all formal announcements relating to the Group and Company's financial performance. This process included the assessment of the following primary areas of judgement and took into account the views of our external auditor.

Significant issues considered by the Committee relating to the Financial Statements for FY23 comprise:

Issue	External auditor challenge	Management response	Audit Committee comments
Margin recognition Development costs are allocated, on a site by site basis, between homes built in the current and future years. The Group's site valuation process determines the profit margin for each site. This requires the estimation of future sales prices and costs to complete. Further detail is given in note 3 on page 191.	The external auditor attended valuation meetings, performed Group-level analytical reviews, and undertook other audit procedures to challenge the margin recognised for the year.	The Committee considered: • feedback from senior management regarding their attendance at valuation meetings and their assurances on the efficiency and consistency of the approach on valuation throughout the business; • management's assumptions and estimates in the assessment of margin recognition based on site performance, in particular, sales prices and build cost, given the dynamic inflationary environment; • ongoing enhancements made to the valuation internal control process following completion of the rollout of the new commercial valuation system and also BRICk internal controls framework; and • the results of the Group's internal audit reviews across the business.	Based on this, the Committee was comfortable with the process and controls adopted by management around the estimation of future income and costs to complete, and thus the process by which the Group's inventory is valued and the margin recognised.
Costs associated with legacy properties Estimations of cost provisions relating to remedial work associated with EWS and reinforced concrete frames, on legacy buildings, have been appropriately provided for and disclosed. This is against the backdrop of Government guidance, industry regulation, and interpretation thereof, continuing to evolve, requiring the Group to adjust its response, similarly as the Group's experience of the scope and cost of remediation also evolves. Further detail is given in note 4 on page 192 and note 20 on pages 212 to 214.	The external auditor challenged the completeness of the basis for the estimated costs, the scope of buildings, contingency, assumptions relating to cost inflation, estimated timing of spend and discount rate.	Following the inclusion of further costs associated with EWS legacy properties as an adjusted item in the FY23 Income Statement, the Committee has reviewed and challenged the provision, assessing its utilisation and continued adequacy, and has agreed that the increase has been appropriately judged, recorded in the correct period, and that accompanying financial and contingent liability disclosures fairly reflect the associated risks and opportunities. The Managing Director of the Building Safety Unit attended the Audit Committee at both half and full year end to further appraise the Committee, whilst also allowing the Committee to question and scrutinise as necessary. Following the recognition of further reinforced concrete costs, the Committee considered the appropriateness of the costs recognised and the related disclosure, and whether such costs had been recognised in the appropriate financial year.	Based on this, the Committee was comfortable with the process and controls adopted by management around the disclosures and estimation of costs and provisions associated with legacy properties.

Fair, balanced and understandable considerations and conclusions

The Committee received a draft of the Annual Report and Accounts prior to its August 2023 meeting, together with supporting material from management and the external auditor. At the meeting, it considered and assessed the process undertaken in drafting the 2023 Annual Report and Accounts to determine whether it was fair, balanced and understandable.

Considerations

- Feedback provided by shareholders on the FY22 Annual Report and Accounts.
- Assurances provided in respect of the financial and non-financial management information.
- The balance between statutory and adjusted performance measures.
- The internal processes underpinning the Group's reporting governance framework and the reviews and findings of the Group's external legal advisers and external auditor.
- A report from the Company Secretary, which confirmed that: i) the process involved collaboration between various parts of the Group, including the Group Finance team, Company Secretariat, Group Communications, Investor Relations and the Sustainability team; ii) the Annual Report and Accounts had been reviewed by the Executive Directors; and iii) the Company had received confirmation from its external advisers that the Annual Report and Accounts adhered to the requirements of the Companies Act, the Code, the Listing Rules and other relevant regulations and guidance.

Conclusions

The Committee concluded that the Annual Report and Accounts for the year ended 30 June 2023:

- clearly, comprehensively and accurately reflect the Group and Company's performance in the year under review;
- contain an accurate description of the business model;
- appropriately reflect the Group and Company's purpose, strategy and culture;
- includes consistent messaging and clear linkage between each of its sections; and
- includes KPIs, which are consistent with the business plan and remuneration strategy.

Accordingly, the Committee recommended to the Board that the FY23 Annual Report and Accounts are fair, balanced and understandable. The Board's formal statement on the Annual Report and Accounts being fair, balanced and understandable is contained within the Statement of Directors' Responsibilities on page 171.

Internal controls and the risk management process

The Committee monitors the Group's risk management and internal control systems, including their effectiveness, on behalf of the Board. The key aspects are as follows:

- a clear organisational structure with defined levels of authority and responsibility at all levels of the business;
- financial and management reporting systems under which financial and operating performance is planned on a three-year basis and budgeted annually. Financial and operating performance is consistently reviewed against budget and forecasts at divisional, regional and Group levels on a monthly basis, variances are explored and, where appropriate, changes made; and the information is used in the preparation of the Annual Report and Accounts;
- identification and review of principal operational risk areas to ensure they are embedded in the Group's monthly management reporting system as routine aspects of managerial responsibility. Details of the risk management system and the principal risks are set out on pages 71 to 77;
- assessment of compliance with internal control and risk management systems, including a consideration of controls over non-financial risks. This assessment is supported by the Group's internal audit team, which is responsible for undertaking a risk-assessed annual audit plan, ad hoc audits and reporting to the Committee, and, if necessary, the Board, on the operation and effectiveness of those systems and any material failings. Following the recognition of additional reinforced concrete frame provisions, the Committee will review the control environment over complex building design in FY24;
- mapping of assurance procedures to the Group's principal risks, to ensure that the mitigating controls are sufficiently robust; and
- consideration and approval of the Group's tax position and strategy.

The Group's operations and financing arrangements expose it to a variety of financial risks that include the effects of changes in borrowing and debt profiles, Government policy, market prices, credit risks, liquidity risks and interest rates. There is a regular, detailed system for the reporting of daily cash balances and forecast cash flows from operations to Senior Management, including Executive Directors, to ensure that risks are promptly identified and appropriate mitigating actions taken. These forecasts are further stress tested at a Group level on a regular basis. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance, for example limiting its exposure to institutions with high credit ratings. Financing activities are delegated by the Board to a centralised Treasury Operating Committee. Group Treasury operates according to treasury policies that are approved by the Board and the Treasury Operating Committee.

Development of an Audit and Assurance Policy

The Committee and the Board support the publication of an Audit and Assurance Policy in order to bring greater transparency to the assurance it receives in order to gain comfort over the Group's management of risks, and over the accuracy of its reporting of both financial and non-financial information.

During the year, the Committee reviewed a number of items which support our Audit and Assurance Policy. These included:

- a risk assurance map setting out assurance already in place, using the three lines of defence model, to identify any gaps or areas where improvement in assurance is required;

Audit Committee Report continued

Development of an Audit and Assurance Policy continued

- assurance mapping over the Group's published financial and non-financial information which was reviewed and updated during the year. The Board made the decision to again appoint Deloitte to provide additional independent assurance over certain aspects of the Group's climate-related disclosures, including TCFD and certain other non-financial information; and
- the completion of the annual detailed fraud risk assessment exercise to identify, consider, and assess fraud risks in place across the Group and the associated controls and assurance in place to mitigate and manage these.

The Committee will continue to monitor the development and formalisation of the assurance in place across the Group's risks, key internal controls over financial reporting and financial and non-financial published information, with the view to publishing the Audit and Assurance policy in due course.

Whistleblowing

The Group has a clear whistleblowing policy and procedure, which is communicated to the workforce. Concerns can be raised by employees with managers, or can be reported by anyone, anonymously if necessary, to a confidential and independent hotline. The hotline is available 24 hours a day, with any matters raised being notified to internal audit immediately by email. Matters requiring urgent attention (including corruption, human rights abuse and personal safety) are notified to the Head of Internal Audit by phone immediately, including outside business hours. The Head of Internal Audit reviews matters raised, and ensures each matter is investigated or refers them to other relevant functions across the business, such as the Safety, Health and Environment or HR teams, to investigate as appropriate. Any substantive issues are raised with the Chair of the Audit Committee as they arise. The Head of Internal Audit also updates the Committee on all significant whistleblowing incidents at each of its meetings. The Committee reviews the overall procedure, investigations and outcomes, as well as the availability and frequency of use of the whistleblowing hotline. The Chair of the Committee updates the Board on whistleblowing reports and investigations on a regular basis, and the Board reviews the whistleblowing arrangements and discusses the most significant issues as appropriate.

Internal audit

Information regarding internal audit matters considered by the Committee are set out in the table of work carried out on page 127.

During the year, the Head of Internal Audit completed all recommendations and improvements from the IIA EQA which was undertaken during the previous year. This included the pilot of a guest auditor programme which allowed individuals from across the business to support the internal audit team with specialist technical knowledge and expertise in auditing certain areas of the business. The trial of the programme was successful, providing additional insight and knowledge to support assurance, and the programme will therefore continue to operate for the next year. The Head of Internal Audit conducted a self-assessment during the year in order to assess the effectiveness of the function against the required IIA standards and governance requirements and reported the results to the Committee, who concluded that the function continued to operate effectively.

The Committee again considered the reporting line of the Head of Internal Audit, and confirmed that it continued to be comfortable with the existing reporting line to the Chief Financial Officer given that the Head of Internal Audit had regular formal meetings with the Chief Executive and any issues are reported to the Chief Executive in a timely manner. They were also comfortable with the independent relationship between the Head of Internal Audit, the Chair of the Committee and the wider Committee. The Committee confirmed that they would continue to keep this reporting line under review.

External audit

Audit performance and effectiveness

The Committee annually reviews the external audit plan and process. This year it again approved the audit of key risk areas earlier in the year to reduce pressure on the busy financial reporting period after year end.

In FY22 Deloitte was appointed, after a thorough tender and interview process, to provide assurance over our TCFD and certain non-financial disclosures. The appointment and fees associated with this work are in accordance with our Auditor Independence and Non-Audit Fees Policy.

In forming its conclusion on performance and effectiveness of the external audit, the Committee reviewed amongst other matters:

Feedback from all stakeholders on the external audit.

The external auditor's fulfilment of the agreed audit plan for FY23.

Reports highlighting the material issues and critical accounting judgements and key sources of estimation uncertainty that arose during the conduct of the audit.

The external auditor's objectivity and independence during the process, including its own representation about its internal independence processes.

The challenges raised by the external auditor during the audit.

The Chair of the Committee met with the leaders of the external audit team to assess their experience and understanding of Barratt, which were considered appropriate.

In assessing the effectiveness and performance of the external auditor, the Committee also approved the Group's approach to assessing audit quality. As in FY22, a questionnaire was circulated covering five significant audit areas. A wide range of internal stakeholders were included across the Group's senior leadership. All areas were rated as good, with some challenges identified in project management. The Deloitte team expect to address the highlighted areas of focus in FY24.

During the audit, the external auditor challenged management's judgements and assertions on the following matters in particular:

- margin recognition;
- valuation and completeness of provisions related to legacy developments (EWS and reinforced concrete frames); and
- valuation and completeness of completed development provisions.

The Committee's response to these can be found in the relevant section of the table of significant issues considered by the Committee relating to the Financial Statements on page 128.

The FY21 audit was subject to an Audit Quality Review, the progress of which was regularly reported to the Chair of the Committee, and has now been completed. The Chair of the Committee received a full copy of the findings of the AQR team and has discussed these with Deloitte. Some matters were identified as requiring improvement and the Committee has agreed an action plan with Deloitte to ensure these have been addressed in the audit of the Company's FY23 Financial Statements.

The Committee concluded that the external audit process as a whole had been conducted robustly, the external audit team selected to undertake the audit had done so thoroughly and professionally, and the external auditor had applied sufficient experience and understanding of the housebuilding industry, consulted with experts as necessary, and is of sufficient size to conduct the audit. Deloitte's performance as external auditor to the Group during FY23 was therefore considered to be satisfactory.

In addition, the Committee was satisfied that management had provided the external auditor with appropriate access to Barratt's own people, systems, records and supporting information, whilst acting professionally and with appropriate challenge, enabling the audit to be conducted effectively.

Auditor independence and non-audit fees

The Company's Policy on auditor independence and non-audit fees is available at www.barrattdevelopments.co.uk/investors/corporate-governance. With effect from 1 July 2021, the policy caps non-audit fees at 70% of the average audit fees over the previous three years. The Committee continually monitors the ratio of non-audit to audit fees to ensure that it does not exceed this cap. For FY23, non-audit fees (including audit-related assurance services) for the Company and its subsidiaries and JV's were £230k, representing 24.3% of the total audit fee. Non-audit fees based on the average of the previous three years' audit fees were 26.5%. Further details of the audit and non-audit fees incurred by the Group can be found in note 3 on page 192. The non-audit fees were for work undertaken by the external auditor for the review of the half year report and

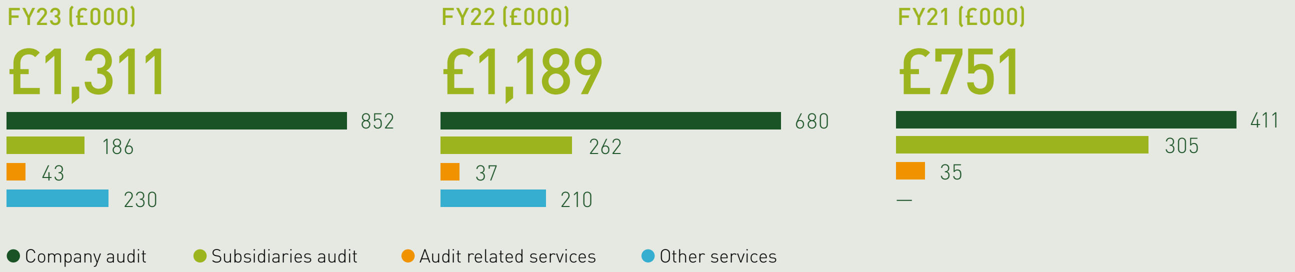
also assurance provided over TCFD and certain non-financial disclosures included in our FY23 results.

This Policy also sets out the duties of the Committee relating to the protection of the objectivity and independence of the external auditor. The pre-approval levels and conditions required for different non-audit services that might be required from the external auditor, together with prohibited services, are detailed in the Policy. It also sets out restrictions on the recruitment of employees from the external auditor. The Policy was reviewed and updated in 2023, and is in line with the auditor independence rules of the FRC's Revised Ethical Standard 2019 and includes the FRC's whitelist of permitted non-audit services. There are no conflicts of interest between the members of the Committee and the external auditor.

The Committee requires written confirmation annually from the external auditor that it remains independent. For FY23, the external auditor provided a comprehensive report to the Committee verifying that it had performed its audit and audit-related services in line with independence requirements and explaining why it believed that it remained independent within the requirements of the applicable regulations and its own professional standards. The report also explained why the ratio of audit to non-audit fees, and the extent and type of non-audit services provided, was appropriate. The Committee conducted its own review and endorsed the external auditor's conclusions on compliance with the Policy and independence of the external auditor.

Accordingly, the Committee was satisfied that both the work performed by the external auditor, given its knowledge of the Group, and the level of non-audit fees paid to it, were appropriate and did not raise any concerns in terms of our external auditor's independence.

Total audit and non-audit fees



Audit Committee Report continued

Auditor rotation timeline

2007
Deloitte appointed

2017
Deloitte reappointed following competitive tender

2027
Competitive tender unless particular circumstances require an earlier tender

External audit continued

External audit tender

Deloitte was first appointed as external auditor to the Group in 2007, and was reappointed following a competitive tender in FY17. The Company has therefore complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 issued by the CMA on 26 September 2014. Jacqueline Holden replaced Claire Faulkner as lead audit partner with effect from the FY23 audit following a period of transition. Jacqueline was selected after an interview process involving the Chair of the Committee, supported by the then acting Chief Financial Officer. The external audit team's second audit partner was rotated for the FY20 audit and remains in place.

Under current regulations, the Company is not due to re-tender its audit until 2027. Given the continuing effectiveness of Deloitte in its role as external auditor, the Committee currently believes it is in the best interests of shareholders for Deloitte to remain in role and for a competitive tender process to be completed in time for the FY27 audit. The Committee will, however, continue to monitor Deloitte's performance as external auditor and make recommendations accordingly.

The Group has appointed UHY Hacker Young LLP as the auditor for certain of its subsidiaries and JVs with effect from the FY23 audit. This appointment followed a rigorous tender process. The timing of this audit work follows completion of the Group audit and therefore has no bearing on the scope of Deloitte's audit. As well as realising some efficiency, this step provides the opportunity for one of the so called challenger audit firms to gain experience.

Assessment of the external auditor

Having considered the external auditor's performance, the Committee recommended to the Board that the external auditor remains independent, objective and effective in its role and therefore should be reappointed for a further year. On the recommendation of the Committee, the Board is putting forward a resolution at this year's AGM to reappoint Deloitte as external auditor for a further year. The recommendation of reappointment of Deloitte is free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of auditors.

This report forms part of the Corporate Governance Report and is signed on behalf of the Audit Committee by:

Jock Lennox
Chair of the Audit Committee
5 September 2023

Safety, Health and Environment Committee Report

Our approach to managing safety, health and the environment

Chris Weston
Chair of the Safety, Health and Environment Committee

Focus in the reporting year

- Continued to monitor IIR and launched a further campaign focusing on the prevention of slips, trips and falls.
- Considered enhancements to existing safe systems of work such as working at height and activities involving ground workers.
- Assessed the SHE culture within our business via a SHE Climate survey.

Priorities for FY24

- Continue to take action to improve our IIR.
- Further enhance activities around mental well-being and occupational health.
- Keep under review the requirements of the Building Safety Act and adapt accordingly.
- Continue to review our impact on the environment and how we mitigate against this.

Committee membership and attendance

There were two meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

Attended / Did not attend

Committee members	Meetings attended
Chris Weston	Attended, Attended
Steven Boyes	Attended, Attended
Vince Coyle[1]	Attended, Attended

1 Vince Coyle is Group Safety, Health and Environmental Director.

Safety, Health and Environment Committee Report continued

Statement from the Chair of the SHE Committee

I am pleased to present this report as Chair of the SHE Committee. The health and safety of our workforce, customers and the public, and the protection of the environment around our developments, remain a fundamental priority for the Group and is embedded within the day-to-day operations of the business. Overall, our site teams continue to be recognised for achieving high standards of health and safety. Our culture and approach has been further verified by achieving champion status as part of an assessment by Building Safer Futures, a non-profit organisation set up as part of the drive for improvements to building safety in the construction industry.

FY23 areas of focus

Injury and ill health prevention has remained a key area of focus for the business throughout the year. Following the reduction in the Group IIR in FY22, and despite the ongoing action plan for continuous improvement, the IIR has unfortunately increased this year from 262 per 100,000 persons in FY22 to 289 in FY23. Our analysis indicates that the primary contributing factor is slips and trips, which is reflected industry wide, and a further campaign has been put in place which is described below.

We have continued to review all working practices and considered enhancements to existing safe systems of work, especially around working at height and those activities involving ground workers. With effect from 1 July 2022, all ride-on dumpers of six tonnes or more operating on our sites were required to have an enclosed cab to protect the operator. We have worked closely with our sub-contractors to ensure that this new requirement can be adhered to.

During the year, a hearing took place in relation to an incident involving an employee of one of our sub-contractors that occurred within our West Scotland division in 2017. A dumper collided at low speed with the sub-contractor's employee. The sub-contractor had not presented their employee to our site team for an induction on their first day, but based on strict liability and the fact the individual had not been inducted, we accepted responsibility as the Principal Contractor for this technical breach. In addition, both Barratt and the sub-contractor pleaded guilty to insufficient pedestrian/plant segregation being available at the location where the incident occurred. We were fined £8,000 and the sub-contractor £32,000. We took immediate action after the incident to address the circumstances that led to the breaches identified, including reinforcing our policy on site induction, and ensuring that contractors take appropriate steps to segregate workers from their plant movements. We continue to monitor these on a regular basis.

We recognise the importance of ensuring all who work on our sites have an effective induction and hold the relevant competencies for the role they are undertaking. Therefore this year we have further developed our successful Induction Manager App to enhance the process. This has proved effective in ensuring all individuals attending our sites are clear on what we will provide and do, and what is expected from them. We have also continued with our positive engagement with key members of our supply chain in reviewing safe systems of work and developing enhanced controls for their work activities.

During FY23 we further assessed the SHE culture within our business via a SHE Climate survey sent to employees, sub-contractors and suppliers, which was created by the Health and Safety Laboratories for the purposes of benchmarking Health and Safety culture in comparison with organisations across a number of sectors. The overall results were encouraging. We scored above the benchmark (compared with 130 companies in all sectors) in all eight categories, which placed us in the top 5% of comparator companies. A particular strength that was noted, was health and safety communication and Management's commitment to always act on safety concerns which is very encouraging. Detailed action plans are now being developed across the business to address those areas where there is room for further improvement with progress being monitored by the Committee. We intend to repeat the survey bi-annually going forward, and will endeavour to increase the participation from our supply chain in further surveys.

FY24 key priorities

Injury prevention remains a key area of focus for the business, with the aim of improving our IIR. There are further changes that we will be looking to make in terms of mental wellbeing and managing occupational health, and we are working with the HR team to improve business knowledge and awareness. The new Building Safety Act encompasses wide-ranging statutory requirements for high risk buildings and other elements of the built environment and we are looking closely at the detailed competency requirements included already and those arising from the anticipated secondary legislation. We are also committed to minimise the risks to the environment and so in FY24 a key focus area will be continuing to review and enhance our silt water management controls to ensure that contamination events are prevented.

I would like to thank the SHE team, our employees and sub-contractors for the great work that they undertake each day to keep our people safe.

Chris Weston
Chair of the SHE Committee
5 September 2023

Role and activities of the SHE Committee

Membership and attendance at SHE Committee meetings

The membership of the SHE Committee and the attendance at each of its scheduled meetings is set out on page 133.

Only members of the SHE Committee have the right to attend meetings, however, other individuals may be invited, at the request of the Chair, to attend all or part of any meeting where it is deemed appropriate.

Role and main activities undertaken by the Committee during the financial year

The SHE Committee's activities continue to remain focused on the prevention and mitigation of the key operational risks relating to health and safety, and the protection of the environment. By receiving reports and challenging those tasked with SHE performance where necessary, the SHE Committee helps the business to improve its SHE standards. It supports and oversees the direction and implementation of SHE Policy and procedures which encourage efficient working practices, prevention of injury and illness, and support our continuous improvement strategy and ongoing sustainability of the Group.

The SHE Committee continues to work closely with the SHE Operations Committee, which is responsible for the implementation and oversight of the Group's overall SHE improvement strategy on a day-to-day basis. The SHE Operations Committee reports directly to the SHE Committee. The Group Construction and SHE Director presents SHE update reports to each of these Committees and to the Board. The SHE Committee has at least one joint meeting with the SHE Operations Committee each financial year. In addition, the SHE Committee Chair is now invited to attend all SHE Operations Committee meetings. This enables the Committee and its Chair to enhance its understanding of the operational issues faced by the workforce, and to discuss them, and ways to improve them, directly with those responsible for day-to-day SHE management.

The SHE Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to the tasks carried out annually, such as a review of its Terms of Reference and approval of this report, the SHE Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
IIR	Continued to monitor SHE performance targets, key performance indicators and IIR, all of which are available on pages 17 and 24.
	Launched the campaign for increased Near Miss reporting in January 2023, to enable the business to have greater depth of insight into emerging risks and trends.
	Considered, developed and launched a new SHE campaign to focus on slip, trip and fall incidents.
SHE training and compliance	Reviewed the outcome of a benchmarking exercise with HBF members on our Drugs and Alcohol Policy and approach to testing, which showed our Policy was robust compared to others in the industry, and agreed a number of changes on testing.
	Considered and approved the detailed plan of work for the integration of Oregon and Gladman into Barratt SHE management.
	Considered the outcome of the HSE Safety Climate survey, and agreed the actions arising from it.
	Reviewed the new Health and Wellbeing strategy and requested a review of how to measure its effectiveness.
	Considered and agreed a new policy on the arrangements in place for the security and protection of our construction sites.
	Sponsored a review of the documentation site managers are required to complete during the lifecycle of a project and agreed a number of efficiencies which were implemented in FY23.

SHE management system

Our SHE management system continues to be accredited to the international standards ISO 14001 and 45001. We have reviewed the processes which site management are required to undertake and have received considerable feedback from site teams. Where possible, we have either enhanced the practical use of apps or amended forms.

We are focused on having an effective process for near miss reporting. It is essential in our view to consider incidents that may not have caused injury or damage but had the potential to do so. This helps us to ensure that mitigations are in place to try and prevent these incidents from occurring again and from becoming an injury or causing damage.

Health and Safety Climate survey

The Health and Safety Climate survey was undertaken during the year with over 1,600 surveys completed and over 8,000 individual comments captured. Our health and safety culture in particular was considered to be very strong, with positive comments regarding health and safety leadership and the strength of poster campaigns on site. Areas for improvement included simplifying the format and presentation of our SHE procedures and control forms, and ensuring that all members of the workforce pay enough attention to health and safety matters. Additional actions arising from the survey included reviewing our pre-start processes to ensure health and safety continues to be embedded from commencement and that we continue to learn from incidents through an effective communications process. Specific Regional action plans are also being developed and progress is being tracked through the SHE Operations Committee.

Safety, Health and Environment Committee Report continued

Integration of Oregon and Gladman

Having consistent Health and Safety Standards across all of our Group Companies is very important. We have therefore worked with both the Oregon and Gladman teams on their Health and Safety integration which was completed for both organisations in FY23. Both organisations have now implemented SHE training requirements which are consistent with the rest of Group; they are capturing incident and near miss information using the incident app and are also being audited through the annual Divisional audit programme. They also both took part in the recent Safety Climate Survey.

Health and Safety training

We continue to develop our e-learning packages to support our existing training provision. The number of slips and trips has been a primary contributing factor to the IIR and a number of these have involved employees in sales roles. We have therefore, this year, launched a Sales e-learning module to ensure new sales team colleagues are familiar with our controls and that the sales environment is safe for colleagues and customers. The majority of slip incidents continue to be in construction. In co-ordination with other housebuilders, we are introducing a campaign on prevention of slip/trip injuries given that there has been an industry-wide trend in an increase in these types of incidents and therefore a common goal to improve.

Induction is a key control, and it is a mandatory requirement for individuals to complete the induction process and for a record to be maintained on our platform. Based on feedback from our site teams, we launched a new two-stage site induction process, requiring site workers to review a video highlighting our expectations of them and what they should expect from us. Competency cards are increasingly using smart technology, verifiable against the scheme database. Accessibility to the assessment at the end of the induction has been increased through the use of sub-titles and translations for those whose primary language is not English.

A full programme of Board visits and site visits by individual Board Directors has recommenced, with two sites visited by the full Board. The aim is for each Director to visit at least one site a year.

It is also important to us that we are engaging with our high risk contractors. Ongoing work with groundworkers includes SHE seminars in each division every six months, and we have now extended this to include our scaffolding contractors.

Occupational health and wellbeing

The Group continues to promote occupational and mental health for all employees and others working on our sites. With support from the Group HR team, employees were given access to a variety of webinars, e-learning modules and newsletters, all of which contained guidance on staying healthy both physically and mentally. Further details of our health and wellbeing initiatives are given on page 38.

Environmental protection

We have a management system in place that is compliant with environmental standards. Prior to commencing on site, we undertake an assessment of the local environment and put plans in place to prevent contamination of any adjacent watercourses. These plans and controls are reviewed monthly and action is taken where enhancements or maintenance of the controls are required. We are also committed to further minimise the risks to the environment and so a key focus area will be to enhance our policies and procedures, in particular our surface water management plans, whilst continuing to ensure that they are effective and are closely monitored by our Operational teams.

This report forms part of the Corporate Governance Report and is signed on behalf of the SHE Committee by:

Chris Weston
Chair of the SHE Committee
5 September 2023

Remuneration Report
Annual Statement from the Chair of the Remuneration Committee

Our approach to remuneration

Katie Bickerstaffe
Chair of the Remuneration Committee

Focus in the reporting year

- Deferred bonus alignment with best practice and shareholder expectations.
- Review of Remuneration Policy.
- Remuneration outcomes for FY23.
- Remuneration targets for FY24.

Priorities for FY24

- Monitor Executive Directors' and Senior Management's performance against targets.
- Keep metrics used for short- and long-term incentives under review.
- Induct new Group HR Director to the workings of the Committee.

Committee membership and attendance

There were four meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

● Attended ○ Did not attend

Committee members	Meetings attended
Katie Bickerstaffe	● ● ● ●
John Allan	● ● ● ●
Caroline Silver[1]	●
Jasi Halai[2]	● ●
Jock Lennox	● ● ● ●
Chris Weston	● ● ● ●
Nina Bibby[3]	●
Sharon White[4]	● ● ● ○

1 Caroline Silver was appointed to the Board and the Committee on 1 June 2023.
2 Jasi Halai was appointed to the Board and the Committee on 1 January 2023.
3 Nina Bibby did not offer herself for re-election and stepped down at the AGM in October 2022.
4 Sharon White was unable to attend the June 2023 Committee meeting due to a prior commitment. Prior to the meeting, Sharon provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Remuneration Report continued
Annual Statement from the Chair of the Remuneration Committee continued

Statement from the Chair of the Committee

I am pleased to present my report to you as Chair of the Committee.

When considering the FY24 remuneration outcomes for the Executive Directors and in considering the targets for FY24, the Committee took into account, amongst other factors, the performance of the Group in FY23 and the market conditions in which the Group has operated (as explained in the Chief Executive's Statement on page 23, and the Marketplace section on pages 20 and 21).

Remuneration Policy

Our existing remuneration policy was approved for a period of three years at our 2020 AGM and expires this year. As such, we will be presenting a slightly revised policy to shareholders for approval at our 2023 AGM. During the year, the Committee undertook an in-depth review of the current policy considering a number of factors including the expected economic environment over the next policy period, our strategy, and our experience with the current policy. Following discussions, the Committee believes that overall the policy remains broadly fit for purpose. It is therefore proposing that the only significant change to the policy, as previously communicated, will be with regards to bonus deferral for Executive Directors and Senior Management.

Currently, under the rules of the existing DBP, any bonus earned in excess of 100% of salary is deferred into shares. To bring the policy in line with shareholder expectations and best practice we will, from the date of the 2023 AGM, defer a fixed percentage of any bonus earned. Accordingly, for FY24, we have agreed that one-third of any bonus earned will be deferred into shares. This is in line with current arrangements under which an individual who is able to earn a bonus equivalent to 150% of salary defers one-third of their bonus at maximum. Our proposal therefore ensures that the same proportion of the annual bonus continues to be deferred when maximum opportunity is achieved, but also ensures that one-third of any bonus earned will be deferred for achievement below maximum. The rules of a new DBP which will be used to implement this new approach to deferral will be presented to shareholders at the 2023 AGM for approval.

Other minor amendments have been made to the policy to provide further clarity in respect of potential performance metrics used within the annual bonus and to ensure that the policy remains in line with best practice.

We believe that with these changes, the Remuneration Policy is fit for purpose and aligns the interests of our Executive Directors with those of our shareholders and with our business strategy. It also continues to drive appropriate behaviours for the long-term success of the Company. Details of these changes can be found on page 142.

FY23 performance and reward

The business has continued to deliver a strong operational and a good financial performance throughout the year. In particular, we achieved 17,206 total home completions (FY22: 17,908), despite the challenges posed by the increase in interest and mortgage rates and the continuing significant cost of living pressures faced by our customers. The Board is extremely grateful for the hard work and dedication of our teams and partners over the past year, despite these challenges. The outcome for the FY23 annual bonus scheme was 40.1% of maximum, with no bonus earned in respect of the adjusted PBT performance target. The 2020 LTPP award will vest at 19.6%. Further details can be found on page 161.

The Committee carefully considered the incentive outcomes within the context of the underlying performance of the business, and ultimately decided that the outcomes were reflective of business performance. As a result, the Committee has not used any discretion to determine these outcomes and it has not adjusted any of the performance targets during the year.

2022 LTPP

As highlighted in last year's report, the Committee was mindful of the view of shareholders and proxy voting agencies that remuneration committees should seek to reduce the number of shares granted under a long-term performance award, where the Company's share price has fallen substantially since the previous grant, to avoid potential windfall gains for Executive Directors. As such, at the time of grant of the 2022 LTPP, the Committee agreed to apply a reduction of 15% to the normal level of the award to avoid windfall gains given the decline in the Company's share price since the previous grant in October 2021.

Pensions

With effect from 1 January 2023 the cash supplements in lieu of pension paid to David Thomas and Steven Boyes were reduced from 25% of base salary to a level equivalent to the wider workforce (currently 10% of base salary), in line with our previous commitments and the guidance from the IA. Mike Scott's cash supplement was set at 10% of base salary from the date of his appointment.

FY24 remuneration

Cost of living support

We remain conscious that the cost of living continues to be high and is impacting our employees. In January 2023, we decided to pay a further £1,000 salary supplement, in equal monthly instalments to each of our employees below our senior leadership team (95% of our employees) for the six months to 30 June 2023. With effect from 1 July 2023, we ceased the salary supplement but applied a 4% inflationary increase for all employees below Board level, with a tiered additional increase, up to 6%, for those who received the salary supplement, meaning that on average a 5.3% salary increase was awarded to the wider workforce.

FY24 salary

Having regard to the changes implemented for employees as set out above, and to the benchmarking data provided by PwC, the Committee decided to increase Executive Directors' salaries by 4%, which is lower than the average increase of 5.3% awarded to the wider workforce. The Committee believes that this increase is justified given the continued strength of our operational and financial performance, the ongoing competitive landscape we face across the sector, and to ensure alignment between the Executive Directors and the wider workforce. The Committee further believes that this level of increase is appropriate given the current economic circumstances in which we are operating. Furthermore, the Committee is comfortable that salary levels remain in line with peers.

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed the Non-Executive Directors' fees and concluded that an increase of 4% should also apply to the Non-Executive Directors' base fee, and to their fees as members and chairs of the relevant committees. An increase of 4% was also applied to Caroline Silver's fee as Chair to reflect that she took over as Chair earlier than anticipated and to ensure that her fee remained in line with that of John Allan's. These increases are in line with those made to the base salaries of the Executive Directors and below that applied to the base salaries of the wider workforce.

FY24 annual bonus and 2023 LTPP

The performance measures for the FY24 annual bonus scheme are set out on page 156 together with the rationale for selecting them. The key change is the introduction of a Diversity & Inclusion target to reflect our business focus in this area. This target replaces the Trading Outlets measure. The Committee is of the view that the actual targets for the annual bonus are commercially sensitive and will therefore disclose these with performance against them, in the FY24 Remuneration Report, in line with market practice.

The 2023 LTPP will be awarded to all eligible participants, including the Executive Directors, later this year. Under our Remuneration Policy, the Committee can make awards of up to 200% of salary to Executive Directors. The Committee continues to believe that TSR, Absolute Adjusted EPS, Underlying ROCE and GHG Emissions Reduction remain the most appropriate measures to align the Group's performance with strategy and the interests of stakeholders. Due to the continued uncertainty in market conditions at the time of approving this Remuneration Report, the Committee has not been able to finalise the financial targets for its incentive schemes. We anticipate that the financial targets will be agreed by no later than the end of November 2023. The details of the non-financial targets for the 2023 LTPP can be found on page 157 and the strategic KPIs for each can be found on pages 16 to 17.

The rules of the LTPP are due to expire in November 2023 having been in place for a period of ten years. A new set of rules will therefore be presented for shareholder approval at the 2023 AGM.

Shareholder engagement

I wrote to our 20 largest institutional investors and the proxy voting agencies in May 2023 to gain feedback on the proposed changes to the Remuneration Policy, the remuneration outcomes for FY23 and our proposals for FY24. We received feedback from shareholders representing 10.3% of our issued share capital.

The key topic of discussion was the introduction of the Diversity and Inclusion targets, whereby shareholders recommended that we ensure that these targets are measurable and aligned to the Group's strategy in this area. The Committee confirms that this feedback has been taken into account when setting the specific Diversity and Inclusion targets and in determining how performance will be assessed. All shareholders who responded were very supportive of the FY23 outcomes, the FY24 remuneration proposals and the changes proposed to the Policy.

Employees and remuneration

Our 2022 Gender Pay Gap report was published in December 2022, along with our first Ethnicity Pay Gap report which we chose to publish voluntarily as part of our commitment to becoming a more diverse and inclusive business. Details of the reports, where to find them on our website and our work on improving diversity and reducing these pay gaps can be found on pages 37 to 39.

We continue to seek the views of our Workforce Forum on our approach to pay for employees and Executive Directors during the year. Further details on the Workforce Forum and the matters it discussed during the year can be found on page 55. We continue to make an annual award of Barratt shares to employees below Senior Management to recognise their dedication, commitment and loyalty. Further details can be found on page 37.

Reporting

Our Remuneration Report for the year ended 30 June 2023 comprises three parts: this Annual Statement, our full Remuneration Policy, and the Annual Report on remuneration. Details of how we have applied the relevant requirements of the Code can be found throughout this Remuneration Report.

Conclusion

Throughout the year, the Remuneration Policy operated as intended in terms of Company performance and quantum, and in line with the Code.

The Committee believes that the decisions it has taken in respect of FY23 pay outcomes and its proposed approach to remuneration for FY24 are in the best interests of its shareholders, align with the Group's strategy, reflect the wider business and economic environment and are fair, reasonable and appropriate. I therefore hope that you will support the updated Remuneration Policy and the Annual Report on Remuneration, which will be proposed at the AGM in October 2023. On behalf of the Committee and the Board, I would like to thank you for your continued support of our remuneration framework.

Katie Bickerstaffe
Chair of the Remuneration Committee
5 September 2023

Our remuneration strategy

It is the motivation and engagement of our employees which makes our business operationally and financially strong. It is therefore imperative that our remuneration strategy appropriately rewards our employees for their performance against the Group's key performance indicators, whilst delivering sustainable shareholder value. Our Remuneration Policy therefore aims to:

- promote the long-term sustainable success of the Company and be fully aligned with the performance and strategic objectives of the Group to enhance shareholder value;
- attract, retain, motivate and competitively reward Executive Directors and Senior Management with the requisite experience, skills and ability to support the achievement of the Group's key strategic objectives in any financial year;
- take account of pay and employment conditions of employees across the Group whilst reflecting the interests and expectations of shareholders and other stakeholders;
- reward the delivery of profit and the achievement of the return on capital employed target, whilst ensuring that Executive Directors and Senior Management adopt a level of risk which is in line with the risk profile of the business as approved by the Board;
- ensure that there is no reward for failure and that termination payments (if any) are limited to those that the Executive Director (or member of Senior Management) is legally entitled to; and
- ensure that in exercising its discretion, the Committee robustly applies the aims above.

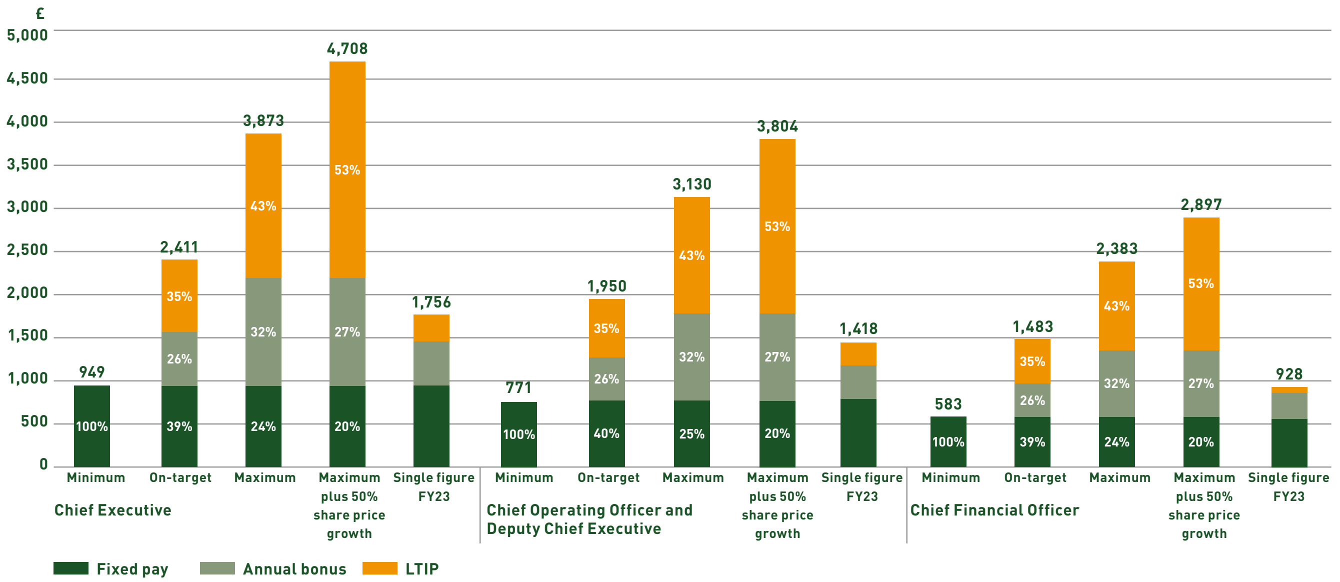
In developing its Remuneration Policy, the Committee has regard to:

- the Group's purpose and strategic priorities, and ensuring that targets support the achievement of these;
- the performance, roles and responsibilities of each Executive Director and member of Senior Management;
- arrangements that apply across the wider workforce, including average base salary increases and pension contributions;
- information and surveys from internal and independent sources; and
- the economic environment and underlying financial performance of the Group.

Remuneration Report continued
Remuneration overview

The overview below outlines the remuneration outcomes for Executive Directors for FY23, together with the minimum, on-target and maximum (with and without share price growth) opportunities for FY24, the FY23 targets set for variable remuneration and our performance against them, and the alignment of our FY23 incentive performance measures with strategy. Full details can be found in the Annual Report on remuneration on pages 155 to 168. Details of Executive Directors' shareholding requirements and whether they have been met are given in Table 16 on page 164.

Executive Directors' Remuneration Policy scenarios for FY24, and FY23 single figure outcomes



Notes:

Minimum pay is fixed pay only (i.e. salary + benefits + pension).

On-target pay includes fixed pay, 50% of the maximum bonus (equal to 75% of salary) and 50% vesting of the LTPP awards (with grant levels of 200% of salary).

Maximum pay includes fixed pay and assumes 100% vesting of both the annual bonus and the LTPP awards.

Maximum pay plus 50% share price growth is the same as maximum pay for fixed pay and annual bonus but assumes a 50% increase in the share price over the performance period for the LTPP.

All amounts have been rounded to the nearest £1,000. Salary levels (which are the base on which other elements of the package are calculated) are based on salaries as at 1 July 2023. The value of taxable benefits is the cost of providing those benefits in the year ended 30 June 2023. The Executive Directors are also permitted to participate in HMRC tax advantaged all-employee share plans, on the same terms as other eligible employees, but they have been excluded from the above graph for simplicity. The LTPP awards allow participants to receive dividend equivalents but these are excluded from the scenario chart, other than for the single figure bar.

The CFO's replacement LTPP awards that are due to vest in October 2023 are included as LTPP in the FY23 remuneration. Dividend equivalents have been included for the LTPP single figure bar.

FY23 performance pay outcomes

Annual bonus outcome

Further details are set out on pages 160 and 161 in the Annual Report on Remuneration.

Target	Threshold	Target	Maximum	Weighting	Outcome achieved
Profit before tax and adjusted items	£1,015m	£1,090m	£1,165m	82.5%	0%
	Actual £884m				
Capital employed	£1,815m	£1,815m	£1,715m	15%	13.6%
	Actual £1,733m				
Quality and service (with health and safety underpin)	(i) Number of divisions achieving minimum 94% SHE monitoring inspections gate on a rolling 12 months' performance basis, (ii) For 75% of this element, divisions achieving minimum 90% for the HBF 8-week National New Homes Customer Satisfaction survey; and (iii) for the remaining 25% of this element, number of divisions achieving minimum 82% for NHBC 9-month Customer Satisfaction Survey.			22.5%	16.5%
	Divisions achieving 90% 8 week score: 23 Divisions achieving 82% 9 month score 16				
Reduction of total waste generated (waste intensity)	4.87 tonnes	4.82 tonnes	4.77 tonnes	15%	15%
	Actual 4.31 tonnes per 100m² legally completed build area				
Trading outlet openings	98 openings	103 openings	108 openings	15%	15%
	Actual 130 openings				

LTPP vesting outcome

Further details, including the share price used to calculate the estimated value, any value of share price increases and the value of dividend equivalents, are set out in Table 12 on page 162 of the Annual Report on Remuneration.

	Shares awarded Number	Percentage of award vesting				Shares vesting Number	Estimated value £000
		EPS	ROCE	TSR	Total		
David Thomas	282,004	0%	13%	6.6%	19.6%	55,272	299
Steven Boyes	223,183	0%	13%	6.6%	19.6%	43,743	237
Mike Scott	67,681	0%	13%	6.6%	19.6%	13,265	69

Alignment of FY23 incentive performance measures with strategy

	Strategic priorities			
	Customer first	**Great places**	**Leading construction**	**Investing in our people**
	Anticipate our customers' evolving needs by continuously improving the homes and places we build.	Secure good value land and planning consents where people aspire to live.	Deliver highest quality homes, focus on excellence, embrace MMC.	Attract and retain the best people, invest in their development.
	How our incentive structures are aligned to delivering the strategic priorities			
Annual bonus	• Customer service • Sustainability	• Adjusted PBT • Capital Employed • Sustainability	• Adjusted PBT • Capital Employed • Customer service • Sustainability	• Adjusted PBT • Sustainability • Customer service • Diversity & inclusion
LTPP	• Sustainability	• ROCE • Sustainability	• ROCE • Adjusted EPS • TSR • Sustainability	• Adjusted EPS • Sustainability

Remuneration Report continued
Directors' Remuneration Policy

The Company's current Directors' Remuneration Policy (the "2020 Policy"), was approved by shareholders at the 2020 AGM. A new Remuneration Policy will therefore be presented for approval by shareholders at the AGM in October 2023 (the "2023 Policy"). We consulted with our major shareholders and the main institutional voting agencies on the proposed minor changes to our Remuneration Policy and its proposed implementation for FY24. If approved by shareholders, the 2023 Policy will take effect from the date of the 2023 AGM and remain in force for three years unless changes are required.

The full version of the 2020 Policy can be found on pages 127 to 130 of the 2020 Annual Report and Accounts, which is available on our website at www.barrattdevelopments.co.uk/investors. A description of how the Company implemented the 2020 Policy in FY23 can be found on pages 159 to 163.

Changes to Remuneration Policy

The Committee is only proposing minor changes to the Remuneration Policy, with all other aspects remaining unchanged. The minor amendments are to reflect best practice and governance requirements only. The table below summarises these changes.

Area of policy	Changes to 2023 Remuneration Policy from the 2020 Remuneration Policy
Annual bonus	Underlying policy is unchanged, however minor drafting changes have been made to provide further clarity in respect of potential performance metrics.
DBP	Under the 2020 Policy, bonuses up to 100% of base salary are paid in cash with any bonus earned in excess of this (up to a maximum of 50% of base salary) deferred into shares under the DBP. To bring the policy in line with shareholder expectations and best practice it is proposed that, with effect from FY24, a fixed portion of at least one-third of any bonus earned by Executive Directors will instead be deferred into shares for a period of three years.
Shareholding requirements	Underlying policy is unchanged, however minor wording changes have been made to bring this policy in line with best practice.

Policy table

The proposed 2023 Policy is set out below. Details of how the proposed 2023 Policy will be applied for FY24 are set out on pages 156 to 158.

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Base salary			
To help promote the long-term success of the Company. To reward individuals based on the scope of the role. To attract and retain high calibre Executive Directors to deliver the Group's strategy. To provide a competitive salary relative to comparable companies in terms of size and complexity.	Normally reviewed annually and fixed for 12 months with any increases usually effective from 1 July. The Committee considers: • individual responsibilities, skills, experience and performance; • the level of pay increases awarded across the Group (with the exception of promotions); • the size and responsibility of the role; • economic and market conditions; and • the performance of the Group. The Committee, when setting salaries, takes into account salary levels for similar positions in the housebuilding sector and within companies of a similar size to the Group. The Committee has the discretion to vary salaries in the event there are changes to any of the above within the 12-month period for which salaries have been fixed. Salaries are paid monthly in arrears.	There is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader UK employee population but on occasions may need to recognise changes in the role and/or duties of a Director; movement in comparator salaries; and salary progression for newly appointed Directors. The Committee retains the right to approve a higher increase in exceptional cases, such as major changes to the Executive Director's role/duties; new recruits; or internal promotions to the position of Executive Director whose salary was set lower than the market level for such a role and a higher increase is justified as the individual becomes more established in the role. In these circumstances a full explanation of the increases awarded will be provided in the Annual Report on Remuneration.	N/A
Benefits (taxable)			
To help promote the long-term success of the Company. To attract and retain high calibre Executive Directors. To remain competitive in the marketplace.	Benefits normally include: • company car; • private medical insurance; • some telephone costs; and • contributions towards obtaining independent financial, tax and legal advice. Other benefits offered to the wider workforce will also be offered to Executive Directors on the same basis. The Committee does have the discretion to offer other benefits it deems appropriate to secure the appointment of a new Executive Director or retain an Executive Director (including relocation benefits) and to ensure that the benefits package for existing Executive Directors remains competitive in the UK market.	There is no formal maximum. Benefits are provided based on market rates.	N/A
Pension			
To help promote the long-term success of the Company. To attract and retain high-calibre Executive Directors. To remain competitive in the marketplace.	In accordance with legislation, Executive Directors are enrolled into a workplace pension. If Executive Directors choose to opt out of the workplace pension they can elect to either: • participate in the Company's money purchase pension plan; or • receive a salary supplement. Executive Directors are also eligible to receive an insured lump sum of up to five times pensionable salary on death in service. Steven Boyes remains a deferred member of the defined benefit section of the Group's pension scheme, which closed to new entrants in 2001 and future accrual of defined benefits for current members ceased to be offered on 30 June 2009. The scheme was bought out by an insurer during FY21.	Defined contribution scheme or salary supplement not exceeding the Company's contribution rate available to the majority of the wider workforce, currently 10% of base salary. **Legacy:** Steven Boyes participated in the defined benefit scheme: 1/60 accrual rate and a retirement age of 65.	N/A

Remuneration Report continued
Directors' Remuneration Policy continued

Policy table continued

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Annual bonus			
To motivate and reward Executive Directors for the achievement of demanding financial and non-financial objectives and key strategic measures over the financial year. Variable remuneration allows the Group to manage its cost base by giving it the flexibility to react to changes in the market and any unforeseen events.	The Committee has absolute discretion as to whether or not to award a bonus and as to the level of bonus to be awarded up to the prescribed maximum. The Committee annually sets financial and non-financial performance targets by taking account of the Company's goals and budget for the relevant financial year. Group and individual performance against these targets is measured at the end of the financial year and the level of bonus payable is calculated at that point. This also takes into account the underlying financial and operational performance of the business relative to the sector (as noted in the column to the right). Up to two-thirds of any bonus earned is paid in cash and at least one-third of any bonus earned is deferred into shares under the DBP for a period of three years. The Committee retains the discretion to decide whether or not to pay an annual bonus to an Executive Director who has handed in their notice and to determine, in respect of any employee who is a "good leaver", whether any annual bonus earned should be paid in cash and not deferred into shares. Where the Committee believes that performance does not warrant the level of bonus determined, it may use its discretion to reduce the award (possibly to nil) as it deems appropriate. No Executive Director has any contractual right to receive a bonus. Annual bonus is not pensionable.	The potential annual maximum bonus is 150% of base salary. The level of bonus payable at threshold is set annually but will not exceed 20% of potential maximum bonus (30% of salary). 50% of the potential maximum bonus (75% of salary) is payable for achievement of on-target performance.	The performance targets set are stretching whilst having regard to the nature and risk profile of the Company, its strategy and the interests of its shareholders. When setting bonus targets, the Committee considers the effect of corporate performance on ESG risks and sustainability issues generally to ensure that remuneration structures do not inadvertently motivate irresponsible behaviour. The focus of the performance targets is to deliver profit growth and to ensure that the Company has an adequate land bank acquired within the constraints of its Balance Sheet commitments. Performance measures may include, but are not limited to: • financial items (e.g. profit before tax, margin growth, net debt/land creditors; and land commitment), with a weighting greater than or equal to 50%; and • non-financial items (e.g. quality and service, health and safety, diversity and inclusion objectives; and personal objectives). The Committee has the discretion to: • choose appropriate measures for each award; • vary the elements of each of these items, including targets, and the weightings of each component on an annual basis; and • ensure that they remain aligned to the strategy of the business and to market conditions.

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
DBP			
At least one-third of any annual bonus earned is deferred into shares and held in this plan for a period of three years and is normally subject to a continued employment condition. The aim is to encourage long-term focus and to further align interests with those of shareholders and discourage excessive risk taking.	Deferred shares are normally granted in the form of a conditional award (but may also be granted as nil or nominal cost options or forfeitable awards in accordance with the rules of the DBP). Deferred shares will normally accrue dividend equivalents in cash or shares, which may be on a reinvestment basis, and which are subject to the same terms, including vesting date, as the deferred share award. Malus and clawback can be applied in certain circumstances to both the cash and deferred element of the bonus. For full details see pages 148 and 149.	At least one-third of any bonus paid is deferred into an award over shares under the DBP, unless the Committee determines otherwise in the case of a "good leaver". The Committee retains the discretion to adjust the proportion of bonus deferred in exceptional circumstances.	No performance conditions apply to the vesting of awards other than a continued employment condition.
LTPP			
To motivate and reward Executive Directors and Senior Management for the delivery of the long-term performance of the Group. To facilitate share ownership by Executive Directors to align their interests with those of our shareholders.	LTPP awards: • are normally granted annually in the form of conditional awards or nil-cost options at no cost to the Executive Director (but may also be granted as nominal cost options or forfeitable awards in accordance with the rules of the LTPP); • are at the discretion of the Committee, taking into account individual performance and the overall performance of the Group; • are subject to the achievement of stretching performance conditions measured over three financial years with a subsequent two-year post-vesting holding period. Awards may therefore only be realised on conclusion of the five-year combined period; and • may, at the discretion of the Committee, accrue dividend equivalents in cash or shares, which may be on a reinvestment basis, and which are subject to the same terms, including vesting date and holding period, as the LTPP award. Any accrued dividend equivalent will be pro-rated, depending on the level of award vesting. Malus and clawback can be applied in certain circumstances to the LTPP award. For full details see pages 148 and 149.	In accordance with the rules of the LTPP, the Committee has the discretion to grant an award up to 200% of base salary to each of the Executive Directors in respect of any financial year of the Company.	Any LTPP awards are subject to performance conditions, which are stretching and aligned with the Group's strategy and the interests of shareholders. Financial performance conditions will have a weighting of at least 50%. The performance conditions are set on the basis that they: • are realistic and attainable; • are for the long-term benefit of the Group; and • do not encourage inappropriate business risks. The Committee has the discretion to determine the weighting of each performance condition on the grant of an LTPP award. No more than 25% of an award will vest at threshold performance (0% will vest below the threshold level) increasing pro-rata to 100% vesting for maximum performance. Overall, the Committee must be satisfied that the underlying financial and non-financial performance of the Group over the performance period warrants the level of vesting as determined by applying the above targets. If the Committee is not of this view, then it is empowered to reduce the level of vesting (potentially to nil).

Remuneration Report continued
Directors' Remuneration Policy continued

Policy table continued

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Sharesave			
To promote long-term share ownership amongst all employees of the Group in a tax-efficient way. To link employee benefits to the performance of the Group. To aid retention of employees.	Under the standard terms, employees must have completed the requisite length of service as at the invitation date to be eligible to participate in the Sharesave. Employees can elect to save between a minimum of £5 and the maximum monthly savings limit as approved by the Committee and the Board within the limits prescribed by legislation and HMRC, for a period of three or five years. Subject to the rules of the Sharesave, at the end of the savings period the employee has six months in which to exercise their option.	Save up to the maximum monthly amount as specified by legislation or HMRC and as approved by the Committee and the Board. The Committee reserves the right to amend contribution levels to reflect changes made by HMRC or the Government from time to time.	Continued employment for the duration of the scheme and "good" and "bad" leaver provisions in line with the rules of the Sharesave.
Shareholding requirements			
To further align the interests of Executive Directors to those of shareholders.	Executive Directors are required to build and retain a shareholding equivalent to 200% of base salary in the Company's shares within five years of the shareholding requirement coming into force or the Executive Director being appointed to the Board, whichever is the later. The share price used for the purposes of determining the value of the shares is that prevailing on 30 June of the given year. The Committee reserves the right to amend the percentage holding required by the Chief Executive and the other Executive Directors depending on market conditions and best practice guidance. Executive Directors are also subject to a post-cessation shareholding requirement of 200% of their salary or their actual level of shareholding at cessation of employment if lower (based on their salary and the share price at the date of cessation of employment). The Committee has implemented suitable measures to ensure continued enforcement of the shareholding requirement during the post-cessation shareholding period. The Committee retains the discretion to waive the post-cessation shareholding requirement in exceptional circumstances. Details of the Executive Directors' shareholdings can be found in Table 16 on page 164.	N/A	N/A

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Non-Executive Directors' fees (including the Chair)			
To attract and retain high quality and experienced Non-Executive Directors (including the Chair).	The remuneration of the Non-Executive Directors is set by the Board on the recommendation of a committee comprising the Chair and the Executive Directors. The Board sets the remuneration of the Chair. The Chair and the Non-Executive Directors' fees are reviewed annually and are normally set by reference to the level of fees paid to the Chairs and Non-Executive Directors serving on boards of similarly sized, UK-listed companies, taking into account the size, responsibility and time commitment required of the role. The Chair's and Non-Executive Directors' fees are paid in cash, monthly in arrears. Neither the Chair nor the Non-Executive Directors participate in any performance-related schemes (e.g. annual bonus or incentive schemes) nor do they receive any pension or private medical insurance or taxable benefits other than the potential to receive gifts at the end of a long-standing term of appointment. Expenses incurred by the Chair and the Non-Executive Directors in the performance of their duties for the Company (including taxable travel and accommodation benefits in connection with travelling to a permanent workplace) may be reimbursed or paid for directly by the Company, as appropriate. Additional fees are payable to the Chairs of the Audit, the Remuneration and the SHE Committees, the Senior Independent Director, the Designated NED for Workforce Engagement and for membership of Board Committees. Additional fees may be paid where, in exceptional circumstances, the normal time commitment is significantly exceeded.	Non-Executive Director fees must remain within the aggregate limit approved by shareholders from time to time. The current aggregate limit is £1,000,000.	N/A

Remuneration Report continued
Directors' Remuneration Policy continued

Performance conditions and target setting

The Committee annually reviews the performance measures and targets taking into consideration a number of factors including the performance of the Group throughout the previous financial year, internal and external forecasts and consensus figures for the performance period and the Group's strategy.

The annual bonus scheme is measured against key financial (Adjusted PBT and Capital Employed) and non-financial metrics (quality and service, health and safety, and diversity and inclusion). Both the financial and non-financial measures are aligned to our strategy, and allow individuals to focus on the key factors that will help drive short and long-term operational and financial success of the business.

The LTPP is assessed against measures that, focus on delivering attractive cash returns to our shareholders, align the Group's performance with strategy and the interests of stakeholders and encourage efficiency throughout the business.

Value delivered to shareholders is recognised through relative TSR, which is measured against both the 50+/50- FTSE group and a housebuilder index. This ensures that strong returns are delivered against an appropriate size group of companies and an index of our peers. Adjusted EPS and underlying ROCE ensure that we are efficiently and effectively managing the business, whilst aligning the Executive Directors with the interests of shareholders. GHG emissions reduction targets ensure we remain on track to achieve our published sustainability commitments.

Targets are set within the context of both internal and external forecasts and are designed to be appropriate within the context of the Group's strategic objectives and historical and expected performance levels. The performance targets are designed to be sufficiently stretching in order to ensure that maximum payout is only achieved for delivering exceptional performance.

Guidelines on responsible investment disclosure

In line with the IA's Guidelines on Responsible Investment Disclosure, the Committee is satisfied that the incentive structure and targets for Executive Directors do not raise any ESG risks by inadvertently motivating irresponsible or reckless behaviour. The Committee considers that no element of the remuneration package will encourage inappropriate risk taking within the Company.

Committee discretion

The areas of the Policy over which the Committee has discretion are included in the policy table set out on pages 142 to 147. However, we have summarised the key discretions below:

- amendment of salary or the award of higher increases in exceptional circumstances;
- variation of benefits offered to secure new appointments or retain existing Executive Directors;
- whether or not to make a bonus award and whether payment should be made to anyone who has handed in their notice to leave the business;
- what performance conditions should be attached to annual bonus and LTPP awards and the weighting of each to be applied;
- determining the timing of awards and/or payments, including grant, vesting or release dates;
- determining the quantum of awards and/or payments (within the limits set out in the policy table on pages 142 to 147);
- determining the application of dividend equivalents, whether they should be issued in shares, including on a re-investment basis, or cash and retaining the ability to adjust the amount paid;
- determining the extent of vesting based on the assessment of performance or such other factors as it considers appropriate;
- the settlement of any share awards in cash in exceptional circumstances;
- making the appropriate adjustments required in certain circumstances (e.g. change of control, rights issues, corporate restructuring events, and special dividends);
- determining "good leaver" status for incentive plan purposes and applying the appropriate treatment, including the timing of any vesting;
- determining the extent to which malus and/or clawback should apply to any award;
- determining the level of post-cessation shareholding the Executive Directors need to hold; and
- determining the exceptional circumstances under which the post-cessation shareholding requirements can be waived.

If an event occurs which results in the annual bonus plan or LTPP performance conditions and/or targets being deemed no longer appropriate (e.g. a material acquisition, divestment or wider market or economic circumstances that the Committee deem relevant), then the Committee will have the ability to adjust appropriately the measures and/or targets, and/or to alter the weighting of the measures. The Committee also has the discretion to increase or decrease any annual bonus or LTPP awards (potentially reducing them to nil) in the event that the formulaic outcome is not reflective of overall Company performance or aligned with the underlying financial and/or non-financial performance of the Group, or where environmental incidents, health and safety incidents or other wider economic or market circumstances warrant an adjustment to the final outcome in order to determine a reasonable and appropriate result. The Committee also retains discretion to adjust LTPP vesting outcomes to avoid windfall gains in the event the share price has fallen materially before a given award is made. Any exercise of discretion will be fully explained in the corresponding year's Remuneration Report.

Malus and clawback

Malus and clawback is applicable to any annual bonus paid or deferred for a period of three years beginning on the date of the award and to any share awards granted under the LTPP for a period of five years beginning on the date of the award.

In the case of malus, the Committee may, at any time prior to the payment of any bonus or any deferred or LTPP shares becoming vested shares, decide to reduce the amount of bonus to be paid and/or reduce the number of deferred or LTPP shares (including to nil) on such basis as it considers to be fair, reasonable and proportionate where, in the opinion of the Committee, there are exceptional circumstances.

In the case of clawback, the Committee may decide that the individual to whom the payment was made and/or deferred and/or LTPP shares were granted shall be subject to clawback, on such basis as it considers to be fair, reasonable and proportionate, if in relation to the bonus paid and/or the deferred or LTPP shares that have vested, in the opinion of the Committee there are exceptional circumstances.

Exceptional circumstances include (without limitation):

a. a material misstatement in the published results of the Company or Group or any member of the Group;

b. an error in assessing any applicable performance conditions or the amount of bonus to be paid and/or the number of deferred or LTPP shares subject to an award;

c. the assessment of any applicable performance conditions and/or the amount of bonus to be paid and/or the number of deferred or LTPP shares subject to an award being based on inaccurate or misleading information;

d. serious misconduct on the part of an individual(s);

e. a breach by the individual of any restrictive, confidentiality, or non-disparagement covenants or other similar undertakings, whether contained in the individual's employment contract and/or settlement agreement and/or any other agreement between the individual and any member of the Group;

f. where, as a result of an appropriate review of accountability, the Committee determines that an individual(s) has caused wholly or in part a material financial loss for the Group as a result of:

   – reckless, negligent or wilful actions or omissions; or

   – inappropriate values or behaviour;

g. material breach of health and safety or environmental regulations;

h. material failure of risk management;

i. a member of the Group is censured by a regulatory body or suffers, in the Committee's opinion, a significant detrimental impact on its reputation, provided that the Committee determines that, following an appropriate review of accountability, an individual(s) was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; or

j. the Company or entities representing a material proportion of the Group become insolvent or otherwise suffer a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that an individual(s) should be held responsible (in whole or in part) for that insolvency or failure.

Where clawback is to be applied, the Committee may determine that:

- any bonus will be retrospectively recalculated and, if bonus monies have been paid, the relevant individual(s) will be required to reimburse the Company for an amount up to the total amount of the original net bonus paid less any bonus that the Committee determines would have been paid regardless of the event in question;
- that the number of deferred or LTPP shares be retrospectively recalculated. If the deferred or LTPP shares have been granted, the number of shares awarded will be reduced accordingly. If the deferred or LTPP shares have vested and shares have been issued or transferred to the individual(s), they will be required to repay the value of the relevant number of shares based on the Company's closing share price as at the date the shares were issued; and
- malus will be applied to an alternative unvested award to satisfy a clawback event on a vested/released award.

Recruitment of Executive Directors

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The remuneration package for any new recruit will take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual. Internal pay relativities and the terms and conditions of employment of the new and existing Executive Directors will be considered to ensure fairness between them. The Committee will determine the remuneration for any new Executive Directors in accordance with the Remuneration Policy then in force and will take into consideration each of the following elements:

Salary and benefits – the Committee will take into account market data for the scope of the job, the remuneration for the relevant role, the salaries of and benefits provided to existing Executive Directors, the new Executive Director's experience, location and current base salary and benefits package. In the event an Executive Director is recruited at below market levels, their base salary may be re-aligned over a period of time (e.g. two to three years) subject to their performance in the role. The Committee may also agree to cover relocation costs if it deems it appropriate.

Pension – Executive Directors will be auto-enrolled from the date of recruitment unless they opt out. If an Executive Director chooses to opt out they may elect to receive a pension supplement in cash. The Committee has discretion to determine the level of pension supplement to be awarded to the Executive Director, up to a maximum which is equivalent to the percentage normally offered to the wider workforce. Alternatively, the Executive Director may choose to join the defined contribution money purchase pension plan provided they meet all of the eligibility criteria. The Executive Director also has the option to receive some of their pension entitlement in cash and have the remainder contributed to the defined contribution money purchase pension plan, provided this does not, in aggregate, exceed the agreed percentage.

Annual bonus and LTPP – new Executive Directors may be able to participate in the annual bonus scheme and the LTPP on terms to be considered by the Committee on a case by case basis. Any award made to a new Executive Director will usually be on the same terms as set out in the policy table on pages 144 and 145. The level of the award will be no greater than that made to existing Executive Directors (150% of salary for the annual bonus and 200% of salary for the LTPP) and will be pro-rated based on the number of weeks remaining outstanding of the relevant performance period.

Buyout of existing entitlements – the Committee may also consider buying out existing entitlements that an individual would forfeit on leaving their current employer, again this would be reviewed on a case by case basis. In determining any potential awards to be granted to a new recruit, the Committee will consider the relative levels of certainty and balance of fixed to variable compensation in the forfeited package in totality, including salary, benefits and other components. The Committee would however in all cases seek validation of the value of any potential entitlement that is being forfeited and take into account the proportion of any performance period remaining of the award, the type of award (i.e. cash or shares) and the performance achieved (or likely to be achieved). Replacement share awards, if any, will seek to reflect (to the extent possible) the value, degree of conditionality and form of award of the entitlement forgone.

Remuneration Report continued
Directors' Remuneration Policy continued

Recruitment of Executive Directors continued

In structuring any buyouts, existing arrangements will be used where possible, however, the Company may also make use of the flexibility provided by the UKLA Listing Rules to make awards without prior shareholder approval. Buyouts may therefore fall outside normal policy maximum levels.

Where an individual is recruited internally to the position of Executive Director, the Company will seek to honour any pre-existing contractual commitments, taking into account the remuneration of the existing Executive Directors.

Executive Directors' service contracts

Details of the Executive Directors' service contracts are included in Table 1 below and their remuneration for FY23 is shown in Table 7 on page 159. The Company's policy is for all Executive Directors' (including new appointments) service contracts to be for a rolling 12-month period, which can be terminated by 12 months' notice given by either the Company or by the Executive Director at any time. The service contract normally entitles an Executive Director to the provision of a company car, annual medical screening, permanent health insurance, private medical insurance, some telephone costs, contributions to the cost of obtaining independent financial and tax advice and payment of legal fees on cessation of employment. The Committee regularly reviews contractual terms for Executive Directors to ensure that they continue to reflect best practice.

All Executive Directors' appointments and subsequent reappointments are subject to election and annual re-election by shareholders at the Company's AGM.

Table 1 – Executive Directors' service contracts

Executive Director	Service contract date	Date of appointment	Notice period
David Thomas	16 January 2013	21 July 2009	12 months
Steven Boyes	21 February 2013	1 July 2001	12 months
Mike Scott	28 June 2021	6 December 2021	12 months

The service contracts for Executive Directors are available for inspection by any person at the Company's registered office during normal office hours and on the Company's website: www.barrattdevelopments.co.uk/investors.

Executive Directors' policy on payment on loss of office

There are no specific provisions for compensation on early termination (except for payment in lieu of holidays accrued but untaken) or loss of office due to a change of ownership of the Company. The Committee reserves the right to make additional payments where such payments are made in good faith: (a) in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or (b) by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment. The Committee may also provide a contribution towards reasonable legal costs and the provision of outplacement services.
The Committee will apply mitigation against any contractual obligations as it deems fair and reasonable and will seek legal advice on the Company's liability to pay compensation. The Committee may also seek to reduce the level of any compensation payable and will take into account, amongst other factors, the individual's and the Group's performance; the Director's obligation to mitigate their own loss; and the Director's length of service when calculating termination payments. The Committee reserves the right to phase any such payments if it deems that it is appropriate to do so. Any amount that the Committee decides to pay an Executive Director will be based on the main elements of executive remuneration namely, base salary, annual bonus and LTPP (subject to the Committee's discretion), benefits and pension. Regarding salary, benefits and pension, there will be no compensation in the event of termination by the Company due to gross misconduct. In other circumstances, Executive Directors may be entitled to receive notice pay or payment in lieu of notice. The Committee also takes into account the rules of the annual bonus and LTPP schemes when determining any payments for loss of office as follows:

Annual bonus – in accordance with the provisions contained within the service contracts, Executive Directors are not usually entitled to any bonus payments (other than in circumstances where they are deemed by the Committee as a "good leaver", which includes, but is not limited to, redundancy, retirement, ill health, disability, death or any other circumstances which the Committee may decide), unless they remain employed and are not under notice as at the payment date. The default position will be that such payment will be pro-rated depending on the proportion of the bonus period worked by the relevant individual unless the Committee decides otherwise. Any bonus payment to the leaving Executive Director will normally be paid entirely in cash. The Committee retains the ultimate discretion to make bonus payments and determine the basis on which they are made and their value, taking into account the individual circumstances of the departure, the treatment of other incentive awards and the performance of the individual.

Deferred bonus – if the Executive Director is deemed to be a "good leaver" (as defined above), their deferred share awards will vest on the normal vesting dates unless the Committee, in its discretion, determines that they will vest on an earlier date (other than in the case of death when deferred share awards will vest immediately, unless the Committee, in its discretion, determines that they will vest on the normal vesting dates). In all other cases, the award of deferred shares will lapse immediately on the date that the Executive Director's employment with the Company ends and there is no entitlement to any compensation for the loss of shares. In the case of vested nil-cost options, any leaver, other than an employee who has been summarily dismissed) may exercise their option within 12 months of their cessation date.

LTPP – under the rules of the LTPP, unless the Executive Director is deemed by the Committee to be a "good leaver" (as defined on page 150) any unvested LTPP awards held by them will lapse on cessation of their employment. For "good leavers", the Committee would normally pro-rate the number of awards for time, measuring performance over the original performance period and vesting shares at the end of the vesting period. The Committee has discretion to test performance at an earlier date, shorten the vesting period and/or disapply time pro-rating. Any exercise of discretion would be explained in full to shareholders in the following year's Remuneration Report. Following the vesting of each award, the normal post-vesting holding period will apply, unless the Committee determines otherwise.

Corporate events

In the event of a change of control of the Company, the Committee may determine that:

- annual bonus awards for the year during which the change of control occurred may either continue to be determined on the basis of the whole year or may be pro-rated to the date of the change of control;
- unvested deferred bonus awards will vest on the change of control, unless the Committee agrees with the acquiring company that they will be exchanged or replaced with equivalent awards over shares in another company, continuing to their normal vesting date; and
- unvested LTPP awards will vest on the date of the change of control, subject to time pro-rating (unless the Committee considers it appropriate to disapply time pro-rating) and the Committee's assessment of the extent to which the performance conditions have been achieved on such basis as it may determine, unless the Committee agrees with the acquiring company that they will be exchanged or replaced with equivalent awards over shares in another company, continuing to their normal vesting date and subject to the same or equivalent performance conditions.

In the event of a demerger, distribution (other than an ordinary dividend) or other transaction which would affect the current or future value of any award, the Committee may allow awards to vest on the same basis as for a change of control described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

Differences between Executive Directors' and employees' remuneration

The following differences exist between the Company's Policy for Executive Directors' remuneration as set out in the Policy table on pages 142 to 147 and its approach to the payment of employees generally:

- a lower level of maximum annual bonus opportunity may apply to employees other than the Executive Directors. All employees, including Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary;
- for the Executive Directors and some members of Senior Management, up to two-thirds of any bonus earned is paid in cash and the remainder is deferred into shares under the DBP for a period of three years;
- Executive Directors and some members of Senior Management may opt to receive a cash supplement in lieu of pension. The cash supplement or employer's contribution rate for all Executive Directors will be at the maximum rate of employer's contribution for the wider workforce, currently 10%;
- Executive Directors are able to participate in the LTPP. A number of select employees at Senior Management level may also be invited to participate in the LTPP at the Committee's discretion, with grants based on a combination of performance share awards and restricted share awards; and
- in July 2023, and over the previous five financial years, employees below Senior Management have been awarded a smaller number of shares under an employee long-term incentive plan. This award was not available to Senior Management or Executive Directors.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the greater emphasis placed on performance-related pay for Executive Directors.

Performance scenario charts

Performance scenario charts setting out policy minimum, on-target, maximum and maximum plus 50% share price growth for FY24, are shown on page 140, along with the single figure outcome for FY23. The figures are split by the different elements of pay.

Non-Executive directorships

Subject to Board approval, Executive Directors are permitted to accept one Non-Executive directorship outside the Company and retain any fees received from such a position. Board approval will not be given for any Non-Executive position where such appointment would lead to a material conflict of interest or would have an effect on the Director's ability to perform their duties to the Company.

Chair and Non-Executive Directors' letters of appointment

The Chair and each of the Non-Executive Directors are appointed for an initial three-year term under terms set out in a letter of appointment. Their appointments can be terminated by the Board without compensation for loss of office subject to the notice periods in their respective letters of appointment. The notice periods, applicable from either party, are three months for the Chair and one month for each of the Non-Executive Directors. The Chair and each of the Non-Executive Directors usually serve a second three-year term subject to performance review and can serve a further term of three years subject to rigorous review by the Chair and the Nomination Committee.

Remuneration Report continued
Directors' Remuneration Policy continued

Chair and Non-Executive Directors' letters of appointment continued

Details of the letters of appointment for the Chair and Non-Executive Directors being proposed for election or re-election at the forthcoming Annual General Meeting are set out in Table 2 below. Their letters of appointment are available for inspection by any person at the Company's registered office during normal office hours and are available on the Company's website: www.barrattdevelopments.co.uk/investors.

Table 2 – Non-Executive Directors' letters of appointment

Non-Executive Director	Date elected/ re-elected at AGM	Date first appointed to the Board	Date last reappointed to the Board	Unexpired term at 30 June 2023
Katie Bickerstaffe	17 October 2022	1 March 2021	N/A	8 months
Jasi Halai	N/A	1 January 2023	N/A	30 months
Jock Lennox	17 October 2022	1 July 2016	1 July 2022	24 months
Caroline Silver	N/A	1 June 2023	N/A	35 months
Chris Weston	17 October 2022	1 March 2021	N/A	8 months

Gifts to Directors on leaving employment

The Committee reserves the discretion to approve gifts to long-serving Directors who are retiring or who are "good leavers" e.g. those leaving office for any reason other than dismissal or misconduct. The value of the gift for any one Director shall be limited to a maximum of £5,000 (excluding any tax or VAT liability). Where a tax or VAT liability is incurred on such a gift, the Committee has the discretion to bear the cost of such liability on behalf of the Director in addition to the maximum limit.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (and to exercise any discretions available to it in connection with such payments) notwithstanding that they are not in line with the 2023 Policy set out above where the terms of the payment were agreed (i) before the date the Company's first remuneration policy came into effect; (ii) before the 2023 Policy came into effect, provided that the terms of the payment were consistent with the remuneration policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director and, in the opinion of the Committee, the payment was not in consideration for the individual becoming or having been a Director of the Company. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Process for determining the Remuneration Policy

The process used to formulate the remuneration policy was as follows:

Stage 1
Remuneration consultant benchmarks best practice to help the Committee determine areas of focus.

Stage 2
Remuneration consultant and management provide detailed insight into the areas of focus to determine how the policy might be amended and implemented annually over its life.

Stage 3
Committee discusses and approves the proposed policy, taking into account the remuneration of the wider workforce.

Stage 4
Chair of the Committee consults with shareholders and main investor representative bodies to obtain their views.

Stage 5
Feedback from the consultation is considered by the Committee and a final updated policy is approved.

Stage 6
Final policy is disclosed in the Annual Report and Accounts and presented to shareholders for approval at the AGM.

As part of this process, the Committee considers the budgeted salary increases and other remuneration arrangements and employment conditions for all employees when determining remuneration for the Executive Directors.

It is expected that future salary increases for the Executive Directors will be no more than that given to the wider workforce, except in exceptional circumstances, such as where a recently appointed Executive Director's salary is increased to reflect their growth in the role over time or where significant additional responsibilities are added to the role.

As a key principle, management provides the Committee with visibility of the potential impact of proposed changes to the Executive Directors' Remuneration Policy on the wider employee population.

How the Committee has addressed the requirements of the Code in determining Directors' Remuneration Policy and practices

Code requirement	
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	Variable remuneration for any year is set out clearly in the prior year's Annual Report, together with performance targets (unless they are deemed to be commercially sensitive). Outcomes are aligned with strategic objectives through the use of appropriate performance targets, which align them with shareholder interests and the Group's strategy and provide for the long-term success of the Company, in the interest of the workforce and other stakeholders.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Company operates a UK market standard approach to remuneration which is familiar to stakeholders. Performance targets are readily understandable and published as part of the year-end results.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee has discretion to ensure that variable pay outcomes are in line with Company and individual performance. Share awards are subject to post vesting holding periods, and malus and clawback as set out on pages 148 and 149.
Predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Minimum, on-target and maximum outcomes for Directors are shown annually in this report (see page 140). Limits and discretions for each type of reward are explained in the policy table which can be found on pages 142 to 147.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	The Company's incentive plans reward the successful implementation of strategy through the alignment of performance targets with strategic KPIs. The performance underpin which applies to both the annual bonus and LTPP outcomes ensures that poor performance is not rewarded. The Committee also has discretion to override formulaic outcomes.
Alignment with culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.	Our remuneration strategy ensures that performance targets do not encourage inappropriate behaviours. The targets that are selected help align the interests of the workforce with those of the Company's purpose and strategy as illustrated on page 141.

Statement of consideration of pay and employment conditions elsewhere across the Group

The level for all employees' salaries is determined with reference to the rate of inflation, salaries for similar positions throughout the industry and general themes and trends in respect of remunerating employees. In determining the Policy for Executive Directors' remuneration, and in determining the annual increase in base salary, the Committee takes into consideration the pay and employment conditions of all employees across the Group. While the Company did not explicitly consult with employees when drawing up the Policy, during the year, the Workforce Forum discussed remuneration strategy, including executive reward strategy, and was asked for feedback for management.

The Company also operates a Sharesave scheme and makes conditional awards of shares to all employees. This enables all employees to become shareholders in the Company, and to comment on the Group's Policy in the same way as all of our other shareholders.

To build the Committee's understanding of reward arrangements applicable to the wider workforce, it is provided with data on the remuneration structure for senior management levels below the Executive Directors, as well as corresponding comparison benchmarking information for each role. In addition, the Group provides a number of ways in which employees can ask questions and give feedback on such matters should they so wish. This includes the Employee Communications mailbox, personal development reviews, the Workforce Forum, a dedicated Workforce Forum email address and an email address for employees to directly contact the Designated Non-Executive Director for Workforce Engagement. Details of engagement with the workforce, including on executive remuneration are provided in the Stakeholder engagement section of the Strategic Report on page 55. The Committee reviews this feedback, which provides further context in relation to pay and conditions throughout the organisation. These valuable insights were considered when the Committee developed the 2023 Policy.

Remuneration Report continued
Directors' Remuneration Policy continued

Statement of consideration of shareholder views

Each year we update our major shareholders on the Committee's application of the Policy and our performance in advance of the publication of our Annual Report and Accounts. The Committee takes into account shareholder feedback received from this exercise and any additional feedback received during any meetings from time to time, as part of the Company's annual review of the Policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be proposed to the Policy.

In May 2023, we consulted with our major shareholders and the main institutional voting agencies over the proposed minor changes to the Policy, and no areas of concern were raised. Details of the votes cast for and against the resolution to approve last year's Remuneration Report can be found in Table 22 on page 168.

Annual Report on Remuneration

In this section, we provide an overview of the Committee and its advisers, as well as how the proposed Policy will be applied in FY24 and how the current Policy has been implemented throughout FY23, together with the resulting payments to Directors. The Annual Report on Remuneration will be subject to an advisory vote at the 2023 AGM.

Membership and attendance at Committee meetings

Membership of the Committee comprises all of the Non-Executive Directors, and attendance at each of its scheduled meetings during the year is set out on page 137. The Committee is chaired by Katie Bickerstaffe. The Executive Directors are not members of the Committee and no Director or senior manager is present at the Committee's meetings when their own remuneration is being considered.

Advisers to the Remuneration Committee

In carrying out its principal responsibilities, the Committee has the authority to obtain the advice of external independent remuneration consultants and is solely responsible for their appointment, retention and termination. In line with best practice, the Committee assesses annually whether the appointment remains appropriate or if it should be put out to tender. The last such tender took place in 2017, resulting in PwC being appointed as the advisers to the Committee with effect from 1 January 2018. PwC is a signatory to the Remuneration Consultants Group's Code of Conduct. As part of the annual review and reappointment process, the Committee satisfied itself that PwC remained objective and independent during the year.

In addition to remuneration advice, PwC also provides taxation, consultancy, corporate finance and internal audit services to the Group. PwC is also currently the independent adviser to the Sustainability Committee and advises our Business Safety Unit. PwC has no current connections with the Company (save as described in this section) nor with any individual Directors.

During the year, the Committee has taken advice from PwC on best practice in executive remuneration and benchmarking. The Chair of the Committee also sought advice from PwC, independent of management, on various matters to be discussed at committee meetings particularly regarding the review of Policy. The fees payable to PwC are based on an annual fixed fee for a specified service with anything outside this scope being charged on a time and disbursement basis. PwC's fees for services provided to the Committee during the year under review were £189,567 (FY22: £130,200).

The Committee also receives input into its decision making from the Chief Executive, the Company Secretary, and the Group HR Director, none of whom were present at any time when their own remuneration was being considered.

Role and main activities undertaken by the Committee during the financial year

The Committee's role is to determine and agree the Policy for Executive Directors and Senior Management whilst taking into account the remuneration of the wider workforce. It follows an annual work programme which was fully completed during the year. The Committee's responsibilities, as delegated by the Board, are formally set out in its written Terms of Reference, which are available from our website at www.barrattdevelopments.co.uk/investors/corporate-governance. Details of the annual evaluation of the Committee's performance can be found on page 123 and key activities undertaken in the year are set out in the table below:

Priorities	Work carried out and outcomes
Executive Directors' remuneration	With assistance from its remuneration consultants, the Committee reviewed the Policy approved by Shareholders at the 2020 AGM, discussed and agreed a number of proposed changes (see page 142).
	Considered salaries of Executive Directors and Senior Management for FY24 in the context of the remuneration of the wider workforce. The outcome of this review is set out on page 156.
	Considered and agreed amendments to the structure of the bonus scheme for FY24; considered the structure of the 2023 LTPP and determined it remained appropriate (see pages 156 to 158 for further details).
	Discussed future performance measures and targets for both the annual bonus and LTPP plans and agreed to introduce a Diversity & Inclusion measure for the FY24 annual bonus.
	Discussed and approved publication of the 2022 Gender and Ethnicity pay gap reports.
	Considered whether the Group's current remuneration structures remained appropriate and support the future strategy of the business, including the potential introduction of a restricted share plan, which was agreed for Senior Management below Board level.
Governance	Undertook benchmarking for the new Chair's fees, prior to her appointment. The Committee revisited the new Chair's fee in June 2023 and agreed an increase (see page 158) to reflect the acceleration of her succession to the position of Chair.
	Considered severance agreements in relation to a member of senior management.

Remuneration Report continued
Annual Report on Remuneration continued

Statement of implementation of the Remuneration Policy for FY24

Executive Directors' remuneration for FY24 will be based on the Remuneration Policy to be proposed at the October 2023 AGM, subject to approval by shareholders. This is set out on pages 142 to 154.

Base salary

The Committee reviewed the salaries of the Executive Directors in June 2023, taking into account their individual performance during the year, the annual salary review for other employees in the Group where average salary increases were at 5.3%, and the multiplier effect of an increase in base salary on the Directors' package as a whole. The Committee also took into account the performance of the Company and ensured that after any increase the salaries would remain within the range for similar sized companies and the housebuilding sector. Accordingly, the Committee believed that it was justified in awarding a salary increase of 4% for each of the Executive Directors, which is below the average salary increase awarded to the wider workforce. The Executive Directors' salaries with effect from 1 July 2023 will therefore be:

Table 3 – Executive Directors' salaries

Executive Director	**Salary with effect from 1 July 2023 £000**	Salary with effect from 1 July 2022 £000
David Thomas	**836**	803
Steven Boyes	**674**	648
Mike Scott	**514**	494

Pension

Each of the Executive Directors will continue to receive a pension contribution (or cash supplement) which is in line with the wider workforce, currently 10% of base salary.

Annual bonus

Executive Directors and Senior Management will participate in the Group's annual bonus scheme in accordance with the Policy.

The Committee has agreed to include a new Diversity & Inclusion measure for FY24. Diversity & Inclusion is a key strategic priority for the business. The Committee and the Board recognise the need for the business to reflect the communities within which it operates. Whilst steps have been taken to improve diversity & inclusion within the Company, the Committee believes that further focus is required to drive this agenda forward. A key area that can help us to do this, is to ensure that we are attracting, and recruiting from, a diverse range of candidates.

The Committee is of the view that the individual annual bonus performance targets are commercially sensitive. Therefore, in line with market practice, these will be disclosed, with performance against them, in next year's Remuneration Report.

The performance measures, their reasons for selection and the maximum bonus payment against each of them expressed as a percentage of salary for FY24 will be:

Table 4 – FY24 annual bonus performance measures

Financial Performance measures	Definition	Reason for selecting	Weighting (% of salary maximum)
Adjusted profit before tax	Profit after all finance costs/income and the Group's share of the profits from its joint ventures, excluding adjusted items.	Rewards outperformance against stretching targets and is a key measure of our performance.	82.5
Capital employed	Average net assets calculated by a three point average excluding goodwill and intangibles, tax, net cash/(debt), retirement benefit assets/obligations, derivative financial instruments, land, land creditors, trade payables and legacy property provisions.	Ensures efficient use of available capital.	15.0
Non-financial performance measures			
Quality and service (with a health & safety underpin)	A three stage assessment is applied: (i) A Division must achieve a minimum SHE monitoring inspections gate on a rolling 12 months' performance basis, to be considered for the customer service element; (ii) To earn any bonus for this element, the Division must achieve a minimum score for the HBF 8-week National New Homes Customer Satisfaction survey; and (iii) If the minimum score for the 8 weeks survey is achieved, the Division will be considered for a further proportion of this element if they achieve the minimum score for the NHBC 9-month Customer Satisfaction survey.	Ensures a focus on quality and service to our customers without compromising the health and safety of our employees, customers, suppliers, sub-contractors and members of the public.	22.5
Diversity and inclusion	To change our attraction and recruitment process to ensure that we have more diverse pools of talent to recruit from which results in enhanced diversity being recruited into the business.	To focus individuals on ensuring that, as part of any recruitment process, they identify a shortlist of candidates which will help further improve diversity within the business.	15.0
Reduction of waste	Reduction of site waste (tonnes of waste for every $100m^2$ of legally completed build area).	Focus individuals on reducing the amount of construction waste intensity, which is a key element of our overall carbon reduction and sustainability strategy.	15.0
Total bonus achievable as a % of salary			**150.0**[1]

1 One-third of any bonus earned will be deferred into shares and held in the DBP. Dividend equivalents will accrue against any shares deferred into the DBP.

The Committee will continue to have an overriding discretion in respect of any bonus payment in accordance with its Policy. In addition, any bonus awarded for FY24 will be subject to the malus and clawback provisions set out in detail on pages 148 and 149.

LTPP

The Committee intends to grant an LTPP award to Executive Directors later this year ("2023 LTPP"). Under the Remuneration Policy and the rules of the LTPP, the award can be up to 200% of base salary. The Committee remains mindful of the need to avoid windfall gains for Executive Directors, as evidenced by its decision to reduce the quantum of the 2022 LTPP award grant. There has been little movement in the share price since October 2022 and therefore the Committee is minded to grant an award of up to 200% of base salary. The Committee will however monitor the share price up until the day before the grant to determine the final quantum of the 2023 LTPP. In addition, the Committee recognises that the 2023 LTPP award should be subject to performance targets which are stretching and challenging whilst aligned with the short and long-term performance of the Group and its strategy, as well as the interests of shareholders. During the financial year, the Committee agreed the performance conditions and their respective weightings for the 2023 LTPP. These are set out in the table below. Having discussed potential target ranges for each of the financial performance conditions, the Committee agreed that, due to the continuing uncertain market conditions at the time of approving the Remuneration report, it would be prudent to defer the finalisation of the financial targets until later in the year. The Committee anticipates that this will be by no later than December 2023. The non-financial targets are set out in the table below. Full details for the targets for each performance condition will be announced at the time of granting the 2023 LTPP, and in next year's Remuneration Report.

Table 5 – 2023 LTPP performance measures

Performance condition and definition	Reason selected	Weighting (of total award)	Below Threshold (0% Vesting)	Threshold (25% Vesting)	Maximum (100% Vesting)
TSR against the FTSE: The Company's TSR over the Performance Period must be at least at the median of a ranking of the Total Shareholder Return of each of the members ranking 50 above and 50 below the Company in the FTSE Index at the start of the Performance Period (1 July 2023 to 30 June 2026) based on market capitalisation as at the day before the start of the Performance Period.	To ensure that the comparator group remains current and relevant whilst factoring in the continued movement in the Company's market capitalisation.	15%	Below median	Median	Upper Quartile
TSR against a housebuilder index[1]**:** The Company's TSR over the Performance Period must be at least the Index average of the Housebuilder Index over the same period.	To ensure rewards are linked to outperformance of our peers.	15%	Below Index average of peer group	Index average of peer group	Index average +8% per annum
Absolute Adjusted EPS for the financial year ending 2026[2]**:** Calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during FY26, excluding those held by the Employee Benefit Trust which are treated as cancelled.	To ensure efficient and effective management of our business and align interests with those of shareholders.	15%	TBC	TBC	TBC

Remuneration Report continued
Annual Report on Remuneration continued

Statement of implementation of the Remuneration Policy for FY24 continued

LTPP continued

Table 5 – 2023 LTPP performance measures continued

Performance condition and definition	Reason selected	Weighting (of total award)	Below Threshold (0% Vesting)	Threshold (25% Vesting)	Maximum (100% Vesting)
Underlying ROCE for the financial year ending 2026[2]: Calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and adjusted items, divided by average net assets adjusted for goodwill, intangibles and land payables, tax, cash, loans and borrowings, retirement benefit assets/obligations, derivative financial instruments and legacy property provisions.	To ensure efficient and effective management of our business and align interests with those of shareholders.	40%	TBC	TBC	TBC
GHG emissions reduction[3]: Reduction of our absolute scope 1 and 2 (operational) GHG emissions by 29% by 2025 (from 2018 levels) and to net zero by 2040.	To ensure we focus on reducing our emissions by meeting our science-based target of a 29% reduction in absolute scope 1 and 2 greenhouse gas emissions.	15%	29% reduction	33% reduction	38% reduction

1 The housebuilder index will comprise: Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

2 Targets will be based on current corporation tax rates.

3 Further information on scope 1 and 2 GHG emissions can be found in the Strategic Report, pages 97 and 98.

For the TSR, EPS and Underlying ROCE performance targets, vesting will be on a straight-line basis between threshold and maximum. For the GHG performance target, vesting will be on a straight-line basis between 29% and 33% reduction, and on a straight-line basis between 33% and 38% reduction. In addition, all LTPP awards are subject to a two-year post-vesting holding period and an overriding Committee discretion, as set out in the Policy table on page 146. The Committee retains discretion to adjust the number of shares vesting from the 2023 LTPP award to mitigate against any potential windfall gains. The 2023 LTPP will also be subject to the malus and clawback provisions summarised on pages 148 and 149.

Non-Executive Directors' fees

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed Non-Executive Directors' fees and concluded that an increase of 4% should apply to all fees paid to the Non-Executive Directors. This increase is in line with the salary increase awarded to the Executive Directors and lower than the salary increase awarded to the wider workforce. Caroline Silver became Chair on 30 June 2023 on a fee of £350,000, broadly in line with that paid to John Allan at that time, and also received a 4% increase from 1 July 2023 to reflect her taking on the role as Chair earlier than previously anticipated. The annual fees payable to the Chair and Non-Executive Directors with effect from 1 July 2023 will therefore be:

Table 6 – Non-Executive Directors' fees

Role	**Fee as at 1 July 2023 £000**	Fee as at 1 July 2022 £000
Chair[1]	**364**	353
Non-Executive Director base fee	**70**	67
Committee membership (per committee)	**3**	3
Chair of Audit Committee	**18**	17
Chair of Remuneration Committee	**18**	17
Chair of Safety, Health and Environmental Committee	**18**	17
Senior Independent Director	**18**	17
Designated NED for Workforce Engagement[2]	**0**	10

1 The Chair's fee as at 1 July 2022 is that of John Allan, and as at 1 July 2023 is Caroline Silver's.

2 Sharon White received £10,000 in respect of her work as Designated Non-Executive Director up until 30 June 2023 when she stepped down from the Board. Caroline Silver took over this role on 1 July 2023 and will not receive any additional fees for this position.

Directors' remuneration outcomes for the year ended 30 June 2023

Single figure of remuneration

The total remuneration for each of the Directors who served during the financial year ended 30 June 2023 is set out in Tables 7 and 8. The salary for all Directors is the amount received in the year.

Table 7 – Executive Directors' single figure of remuneration (audited)

	Base Salary £000		Benefits (taxable)[2] £000		Annual bonus[3] £000		LTPP £000		Sharesave[6] £000		Pension benefits £000		Replacement Award[7] £000		Total[8] remuneration £000		Total[8] fixed remuneration £000		Total[8] variable remuneration £000	
	2022/23	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23[4]**	2021/22[5]	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22
David Thomas	**803**	780	**29**	28	**483**	1,151	**300**	578	**—**	6	**141**	195	**—**	—	**1,756**	2,738	**973**	1,003	**783**	1,735
Steven Boyes	**648**	629	**30**	31	**390**	928	**237**	458	**—**	5	**113**	157	**—**	—	**1,418**	2,208	**791**	817	**627**	1,391
Mike Scott[1]	**494**	277	**18**	9	**297**	402	**69**	53	**—**	—	**49**	28	**—**	160	**928**	929	**561**	314	**366**	615
Total	**1,945**	1,686	**77**	68	**1,170**	2,481	**606**	1,089	**—**	11	**303**	380	**—**	160	**4,102**	5,875	**2,325**	2,134	**1,776**	3,741

1 Mike Scott was appointed a Director on 6 December 2021, and his remuneration for 2021/22 therefore reflects only a partial year.

2 Benefits (taxable) include the provision of a company car or car allowance, private medical insurance, some telephone costs and contributions towards obtaining independent financial and tax advice, and are provided based on market rates.

3 Annual bonus for 2021/22 includes amounts deferred for David Thomas and Steven Boyes (see Table 10 on page 161).

4 Performance conditions for the LTPP were tested after 30 June 2023. 19.6% of the award granted to each of the Executive Directors is due to vest in October 2023 (see Tables 11 and 12 on pages 161 and 162 for further details). The market price of the shares has been calculated based on an average market value over the three months to 30 June 2023 £4.71 per share). None of the value of the award is attributable to share price growth.

5 In accordance with regulatory requirements, the values in this column have been re-calculated using a share price of £3.56 per share being the market value of the shares on the vesting date, 24 October 2022, as opposed to the market price of £4.94 per share calculated based on an average market value over the three months to 30 June 2022 disclosed in last year's Remuneration Report.

6 The Sharesave shares granted in 2016 for David Thomas and 2018 for Steven Boyes, which matured on 1 July 2021, were subject to a continued employment condition and completion of a savings contract. There are no performance conditions for Sharesave shares. The value is calculated using the difference between the exercise price and the mid-market closing price of a share on the date of maturity. The relevant prices were £4.82 and £6.792 for David Thomas' options, and £4.49 and £7.112 for Steven Boyes' options.

7 Details of Mike Scott's Replacement Awards were shown on page 120 of the 2022 Annual Report. The value shown in the Replacement Award column relates to the Deferred Bonus shares which vested in December 2022. The value of the replacement LTPP awards vested in October 2022 and vesting in October 2023 are included in the relevant LTPP columns.

8 The total remuneration figures in the last three columns of the above table may not add up to the sum of the component parts, due to rounding.

Table 8 – Non-Executive Directors' single figure of remuneration (audited)

	Fees £000		Benefits (taxable) £000		Total £000	
	2022/23	2021/22	**2022/23[3]**	2021/22[4]	**2022/23**	2021/22
John Allan[1]	**405**	343	**1**	2	**406**	345
Caroline Silver[2]	**7**	—	**—**	—	**7**	—
Nina Bibby[2]	**22**	75	**4**	—	**26**	75
Katie Bickerstaffe	**93**	92	**—**	—	**93**	92
Jasi Halai[2]	**40**	—	**—**	—	**40**	—
Jock Lennox	**110**	109	**—**	—	**110**	109
Chris Weston	**93**	92	**—**	—	**93**	92
Sharon White	**86**	85	**—**	—	**86**	85
Total	**856**	796	**5**	2	**861**	798

1 John Allan's Fees include £52,470 paid in lieu of notice after he stepped down from the Board with effect from 30 June 2023.

2 Caroline Silver and Jasi Halai were appointed to the Board with effect from 1 June and 1 January 2023 respectively, and Nina Bibby stepped down on 17 October 2022. Their fees therefore reflect a partial year.

3 Benefits (taxable) for 2022/23 for John Allan include £1,068 expenses incurred in attending the Company's main corporate office and for Nina Bibby relate to gifts, including tax payable on them, presented to her on leaving the business.

4 Benefits (taxable) for 2021/22 include expenses incurred in attending the Company's main corporate office of £1,648 for John Allan.

Remuneration Report continued
Annual Report on Remuneration continued

Directors' remuneration outcomes for the year ended 30 June 2023 continued

Annual bonus

For FY23, the business was focused on managing costs, with a strong emphasis on building sustainably whilst maintaining high customer service levels. The bonus measures were set accordingly. Financial targets were set taking into consideration internal and external consensus forecasts. Further information on how we measure progress against the waste reduction target is set out on page 17.

As in previous years, Executive Directors had the potential to earn an annual bonus of up to 150% of base salary based on the attainment of Group performance targets which are linked directly to the Group's strategy, part of which is deferred into shares (see page 161). The Group performance targets and performance against them for FY23 are set out in Table 9 below. The Committee considers that the outcome reflects a fair, reasonable and appropriate level of reward, and the overall performance of the Group during FY23, and therefore no discretion was exercised in relation to the bonus outcomes. It is also aligned to the bonus outcomes for the wider workforce below Senior Management.

Table 9 – Annual bonus (audited)

Bonus target	Strategic objective	Targets	Potential bonus weighting % of salary	Actual performance achievement	Bonus achieved % of salary	Bonus outcome % of maximum
Adjusted profit before tax[1]	To support profitability.	Threshold: £1,015m Target: £1,090m Maximum: £1,165m	16.5% 41.25% 82.5%	£884m	0%	0%
Capital employed[1]	To incentivise improvement of capital management.	Minimum and Target: £1,815m Maximum: £1,715m	7.5% 15%	£1,733m	13.6%	9.1%
Quality and Service (with health and safety underpin)	To ensure a focus on quality and service to our customers without compromising the health and safety of our employees and other stakeholders.	A three stage assessment is applied: (i) A Division must achieve SHE audit monitoring inspections gate on a rolling 12 months' performance basis of 94%, to be considered for the customer service element; (ii) To earn 75% of this bonus element, the Division must achieve 90% or higher "recommend" score for the HBF 8-week National New Homes Customer Satisfaction survey; and (iii) To earn the remaining 25% of this bonus element, the division must achieve 82% or higher score for the NHBC 9-month Customer Satisfaction survey.	22.5%	SHE gate: 29/29 divisions 8-week score: 23/29 divisions 9-month score: 16/29 divisions	16.5%	11.0%
Construction Waste Reduction	To reduce construction waste intensity compared with FY22. (Measured in tonnes of waste for every 100m² of legally completed build area).	Threshold: 4.87 tonnes Target: 4.82 tonnes Maximum: 4.77 tonnes	3% 7.5% 15%	4.31 tonnes	15.0%	10.0%
Trading outlets	To open the optimum number of trading outlets to ensure growth and delivery of our business plan.	Threshold: 98 Target: 103 Maximum: 108	3% 7.5% 15%	130 outlets	15.0%	10.0%
Total outcome					**60.1%**	**40.1%**

1 See definitions in Table 4 on page 156.

Executive Directors' deferred bonus

For FY23 there was no bonus earned in excess of 100% of salary there will be no deferral into shares. See Table 10 below for details of the FY23 bonus earned. When any bonus is earned in excess of 100% of salary, the number of shares that will be awarded will be calculated based on the average closing share price for the first five dealing days following the date on which the Group publishes its annual results, and will be announced via the Regulatory Information Service when the shares are awarded. Deferred shares are held for a period of three years from the date they are awarded, subject normally to continued employment.

Table 10 – Executive Directors' deferred bonus (audited)

	FY23 deferred bonus						FY22 deferred bonus		
	Salary payable %	Annual bonus £000	% of salary paid in cash %	Bonus paid in cash £000	% of salary deferred into shares %	Bonus deferred into shares £000	% of salary deferred into shares %	Bonus deferred into shares £000	Number of shares[1]
David Thomas	**60.1**	**483**	**60.1**	**483**	**0**	**0**	47.5	371	88,632
Steven Boyes	**60.1**	**390**	**60.1**	**390**	**0**	**0**	47.5	299	71,495
Mike Scott	**60.1**	**297**	**60.1**	**297**	**0**	**0**	0[2]	0	0

1 The number of conditional shares awarded during the year was calculated at a share price of £4.1802, being the average of the mid-market closing prices of the shares for the first five dealing days following the date of the final FY22 results announcement for the Company.

2 For the FY22 bonus, Mike Scott was appointed a Director of the Company part way through the year. Mike's percentage bonus outcome was 147.5%. This was applied to his annual base salary for FY22 and pro-rated to the number of calendar days he was employed in the year. The value of his bonus outcome did not exceed 100% of his annual base salary and therefore none of his bonus was deferred into shares.

Long-Term Performance Plans

Vesting of 2020 LTPP (included in FY23 single figure of remuneration)

The 2020 LTPP award was based on a three-year performance period to 30 June 2023 and will vest in October 2023. The award is subject to three performance conditions, 20% EPS, 40% ROCE and 40% TSR (half of which is measured against a 50+/50- FTSE comparator group and the other half against a housebuilder index). The resulting vesting levels are as follows:

Table 11 – Vesting of 2020 LTPP (audited)

Metric	Performance condition	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Portion of award vesting
EPS (20%)	EPS growth for the financial year ended 30 June 2023.	76p	88p	56.3p[1]	0%
Underlying ROCE (40%)	To increase underlying ROCE for the financial year ended 30 June 2023.	19%	22%	19.3%	13.0%
TSR (FTSE) (20%)	TSR against the 50 companies above and below the Company in the FTSE index measured over three financial years with a three-month average at the start and end of the performance period.	Median ranking of 47.0 (TSR of 24.1%)	Upper quartile ranking of 24.0 (TSR of 49.6%)	Rank of 55.5 (TSR of 10.6%)	0%
TSR (Housebuilder)[2] (20%)	TSR of at least the Index average of a housebuilder Index measured over three financial years with a three-month average at the start and end of the performance period.	Unweighted Index average (TSR of 7.8%)	Unweighted Index average + 8% p.a. (TSR of 33.7%)	Between Threshold and Maximum (TSR of 10.6%)	6.6%
Total level of award vesting					**19.6%**

1 The basic EPS of 53.2 pence has been re-based using the same rate of corporation tax and number of shares as was used in setting the 2020 LTPP targets. The re-based basic EPS used for the purpose of determining vesting, which is directly comparable to the 2020 targets, is 56.3 pence.

2 The Housebuilder Index comprises: Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group. On 11 November 2022, Countryside Partnerships was acquired by Vistry Group. At the time, both companies were members of the Housebuilder Index Comparator Group. The TSR performance for Countryside Partnerships has therefore been calculated based on the performance of Countryside Partnerships up to the date of the merger and then by tracking Vistry Group's performance thereafter.

The Committee considered the underlying financial performance of the Group and was satisfied that given the continued strong performance in the Group's financial results, the level of vesting was justified. There was no share price appreciation, and no discretion was exercised in relation to the share price. The Committee believes that the vesting level achieved is fair, reasonable and appropriate. No Committee discretion was exercised in relation to the LTPP vesting outcome. The 2020 LTPP has accrued dividend equivalents in accordance with the rules of the scheme. The amount of dividend equivalent to be paid, in cash, on vesting will be pro-rated in line with the number of shares that vest. The gross number of shares to be released to each of the Executive Directors and the gross value of the dividend equivalents are as follows:

Remuneration Report continued
Annual Report on Remuneration continued

Directors' remuneration outcomes for the year ended 30 June 2023 continued

Long-Term Performance Plans continued

Table 12 – 2020 LTPP vesting outcomes (audited)

Executive Director	Number of shares at grant	Number of shares to lapse	Total number of shares to vest[1]	Estimated value of vested shares[2] £000	Value of dividend equivalents earned on vested shares[2] £000	Total estimated value[2] £000
David Thomas	282,004	226,732	55,272	260	39	300[4]
Steven Boyes	223,183	179,440	43,743	206	31	237
Mike Scott[3]	67,681	54,416	13,265	62	7	69

1 The relevant number of shares will be released to each participant as soon as is practicable following the vesting date. The awards are subject to a two-year post-vesting holding period commencing 1 July 2023.
2 The estimated values of the vested shares and the dividend equivalents are based on the average share price during the three months to 30 June 2023 (£4.71 per share). There was no share price appreciation from the date the shares were awarded.
3 The shares granted to Mike Scott were replacement awards, further details of which can be found on page 120 of the FY22 Annual Report and Accounts.
4 The "Total estimated value" figure for David Thomas does not add up to the sum of the component parts due to rounding.

LTPP granted during the year (2022 LTPP)

During the year, the Committee granted the 2022 LTPP to Executive Directors. The 2022 LTPP, is subject to four performance conditions, 30% TSR (half of which is measured against a 50+/50- FTSE comparator group and the other half against a Housebuilder Index), 15% Adjusted EPS, 40% Underlying ROCE and 15% reduction of GHG emissions. Further information on how GHG emissions and progress against this target are measured is given on pages 97 and 98. The levels of vesting against TSR and GHG emissions will be measured over a three-year period commencing 1 July 2022, and against EPS and ROCE for the financial year ending 30 June 2025. On completion of the performance period, assuming that shares vest, they will be subject to a further two-year holding period. The Committee determined to reduce the usual grant size of the awards to avoid windfall gains given the fall in the Company's share price since the previous grant in October 2021. The basis of the awards was reduced from 200% to 170% of salary, representing a reduction of 15% of the usual basis of the awards.

Table 13 – 2022 LTPP (audited)

Executive Director	Type of award	Basis of award granted	Share price at date of grant[1] £	Number of shares over which award was granted	Face value of award £000	% of face value that would vest at threshold performance	Vesting determined by performance over
David Thomas	Conditional award	170% of salary £803,400	4.438	307,746	1,366	25	Three financial years to 30 June 2025
Steven Boyes	Conditional award	170% of salary £648,062	4.438	248,243	1,102	25	
Mike Scott	Conditional award	170% of salary £494,400	4.438	189,382	840	25	

1 Based on the average of the closing prices, as derived from the London Stock Exchange daily official list, for each of the dealing days in the period of three months ending on 11 October 2022, being the day before the date of the awards.

The targets applicable to the 2022 LTPP are as set out in Table 15.

Performance to date of 2021 and 2022 LTPP awards

The following tables show the targets set on grant for each of the in-flight LTPP awards together with performance to date.

For the 2021 LTPP the potential level of vesting is based on performance measured over two years to 30 June 2023:

Table 14 – 2021 LTPP award performance against targets

Performance target	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)	Performance as at 30 June 2023	Level of vesting had the award vested as at 30 June 2023
TSR FTSE[1] (15%)	Below median	Median	Upper quartile	Below median	0%
TSR Housebuilder[2] (15%)	Below unweighted index average	Unweighted index average	Unweighted index average +8% p.a.	Below median	0%
EPS (15%)	<79 pence	79 pence	87 pence	56.3 pence	0%
Underlying ROCE (40%)	<19.0%	19.0%	22.0%	19.3%	13.0%
GHG emissions reduction (15%)	<20% reduction	25% reduction	30% reduction	23.7%	2.8%
Total level of award vesting					**15.8%**

For the 2022 LTPP the potential level of vesting is based on performance measured over one year to 30 June 2023:

Table 15 – 2022 LTPP award performance against targets

Performance target	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)	Performance as at 30 June 2023	Level of vesting had the award vested as at 30 June 2023
TSR FTSE[1] (15%)	Below median	Median	Upper quartile	Between threshold and maximum	3.8%
TSR Housebuilder[2] (15%)	Below unweighted index average	Unweighted index average	Unweighted index average +8% p.a.	Between threshold and maximum	14.9%
Adjusted EPS (15%)	<73 pence	73 pence	81 pence	70.6 pence	0%
Underlying ROCE (40%)	<20.0%	20.0%	23.0%	19.3%	0%
GHG emissions reduction (15%)	<25% reduction	30% reduction	35% reduction	23.7%	0%
Total level of award vesting					**18.7%**

1 The comparator group for TSR FTSE is each of the members ranking 50 above and 50 below the Company in the FTSE Index.
2 The housebuilder Index comprises: Bellway, Berkeley Homes, Countryside Partnerships, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

For the TSR, EPS and Underlying ROCE performance targets, vesting is on a straight-line basis between threshold and maximum. For the GHG performance target, vesting is on a straight-line basis between 20% and 25% reduction for the 2021 award, between 25% and 30% reduction for both awards, and between 30% and 35% for the 2022 award. The LTPP awards will accrue dividend equivalents in accordance with the rules of the scheme. The amount of dividend equivalent to be paid, in cash, on vesting will be pro-rated according to the number of shares that vest.

The Committee has the discretion to adjust the number of shares vesting from each LTPP award if it considers that the vesting outcome is not sufficiently reflective of the underlying performance of the Company and to mitigate against any potential windfall gains for the Executive Directors.

Statement of Directors' shareholdings and share interests

For the financial year ended 30 June 2023, Executive Directors were required to hold shares in the Company equivalent in value to 200% of salary. The Executive Directors are expected to meet this requirement no later than the fifth anniversary of joining the Board, with progress being made towards its achievement throughout the period. The share price used for the purposes of determining the value of the shares is by reference to the higher of the share price paid on acquisition or vesting and the share price at the close of business on the London Stock Exchange on 30 June or the date of leaving, as applicable. Participants who have not built up the required level of shareholding by the fifth anniversary of joining the Board, will not be eligible for inclusion in future share-based incentive schemes. In addition, they will not be allowed to sell any of the net of tax shares released from incentive schemes until they reach the levels specified, unless exceptional circumstances exist in the opinion of the Committee. The Committee retains discretion to adjust the length of time in which the required amount of shareholding needs to be accrued in order to adjust for events out of the Director's control. The Committee reserves the right to amend the percentage holding required by the Executive Directors depending on market conditions and best practice guidance. At 30 June 2023, David Thomas and Steven Boyes had met their shareholding requirements and Mike Scott has until 6 December 2026 to meet his.

Executive Directors are also subject to a two-year post-cessation shareholding requirement. They must hold the lower of their shareholding requirement (currently 200% of salary) or their actual shareholding on the date of leaving. The Committee has agreed that to ensure continued enforcement of the post-cessation shareholding requirement, a contractual agreement will be entered into by the Company and the relevant Executive Director at the point of leaving employment, under which the individual concerned will agree not to dispose of the shares prior to the completion of the post-cessation shareholding period.

The interests of the Directors serving during the financial year and their connected persons in the ordinary share capital of the Company at the beginning and end of the year are shown in Table 16.

No notification has been received of any change in the interests shown during the period 30 June 2023 to 5 September 2023 inclusive.

Remuneration Report continued
Annual Report on Remuneration continued

Statement of Directors' shareholding and share interests continued

Table 16 – Directors' interests in shares as at 30 June 2023 (audited)

		Other shares held		Options	Shareholding requirements		
	Beneficially owned	Interests subject to performance conditions (LTPP)	Interests not subject to performance conditions (DBP)	Interests in Sharesave options[1]	Shareholding requirement % salary	Current shareholding % salary[3]	Shareholding requirement met?
Executive Directors							
David Thomas	1,297,576	814,120	140,770	5,373	200%	707%	Yes
Steven Boyes	700,739	652,413	112,758	6,056[2]	200%	486%	Yes
Mike Scott	52,050	374,779	0	4,128	200%	44%	No
Non-Executive Directors							
John Allan	94,235	The Chairman and Non-Executive Directors are not awarded incentive shares and are not subject to a shareholding requirement.					
Caroline Silver	–						
Katie Bickerstaffe	7,508						
Jasi Halai	–						
Jock Lennox	10,000						
Chris Weston	–						
Sharon White	363						

1 All of these options were unvested at 30 June 2023.

2 During the year, Steven Boyes was granted 2,593 Sharesave options, exercisable for six months from 1 July 2026 at an option price of £3.47, representing a 20% discount on the average share price for the five business days immediately before the invitation to participate in the award (£4.336). The number of shares granted was based on the option price and the total savings amount forecast at the end of the respective savings periods. The face value of the options based on the average share price above was £11,243. There are no performance targets associated with this Sharesave option.

3 The share price used for the purposes of determining the value of the shares is £4.14 being the mid-market closing price on 30 June 2023. The value of DBP shares used is net of income tax and national insurance contributions which the Directors would have to pay on exercise.

All conditional awards and share options are subject to an overriding Committee discretion, in that the Committee must be satisfied that the underlying financial performance of the Group over the performance period warrants the level of vesting as determined by applying the relevant targets. If the Committee is not of this view, it has the authority to reduce the level of vesting, including to nil, as it deems appropriate.

Executive Directors' pension arrangements

The Company's pension policy for Executive Directors is that on joining the Group they will be auto-enrolled unless they choose to opt out. On opting out, the Executive Director may choose to receive a cash supplement (which does not count for incentive purposes) and/or participate in the Company's defined contribution money purchase pension plan. Each Executive Director has opted to receive a cash supplement in lieu of pension. Until 31 December 2022, David Thomas and Steven Boyes received an amount equal to 25% of base salary in line with market practice at the time of their appointment. This reduced to 10% from 1 January 2023 to be in line with that of the wider workforce. Mike Scott received an amount equal to 10% of base salary throughout FY23. Only the base salary element of a Director's remuneration is pensionable.

Details of cash supplements paid to the Executive Directors during the year can be found in Table 7 on page 159.

Defined benefit section (audited)

Steven Boyes is a deferred member of the defined benefit section of the Barratt Group Pension and Life Assurance Scheme (the Scheme), which was bought out by an insurer during FY21. As a result of the buyout, no employee (including Steven Boyes) has any current or prospective defined benefit pension or related benefit payable by the Group.

Payments to former Directors (audited)

Jessica White stepped down as a Director and Chief Financial Officer on 30 June 2021 and left the business on 31 July 2021. The Committee determined that, in line with the Policy and the rules of the relevant plans, Jessica would be treated as a good leaver.

As set out in the FY21 Remuneration Report, Jessica held 91,908 shares under the 2019 LTPP. 54,501 of these shares vested on 24 October 2022. The awards were valued using a share price of £3.56 per share, being the market price of the shares on the vesting date. The value of the shares and dividend equivalents (paid in cash) was £194,024 and £29,214 respectively, such that the total value of the award on the vesting date was £223,238.

No other payments have been made to former Directors during the year.

Payments for loss of office (audited)

John Allan stepped down from the Board with effect from 30 June 2023. He received his Chair fee from 1 July 2022 up to and including 30 June 2023 and taxable benefits and these amounts are shown in Table 8 on page 159. He received no pension contributions or variable remuneration. In addition, John was paid £52,470 in lieu of the balance of his three-month contractual notice period, given that he stepped down earlier than originally anticipated. No other remuneration payments were made by the Company to John Allan after he ceased to be a Non-Executive Director and Chair of the Board. No discretion has been exercised by the Committee.

No other payments for loss of office have been made to former Directors during the year.

Chief Executive's relative pay

Table 17 sets out: (i) the total pay, calculated in line with the single figure methodology; (ii) the annual bonus payout as a percentage of maximum; and (iii) long-term incentive vesting level for the Chief Executive over a ten-year period.

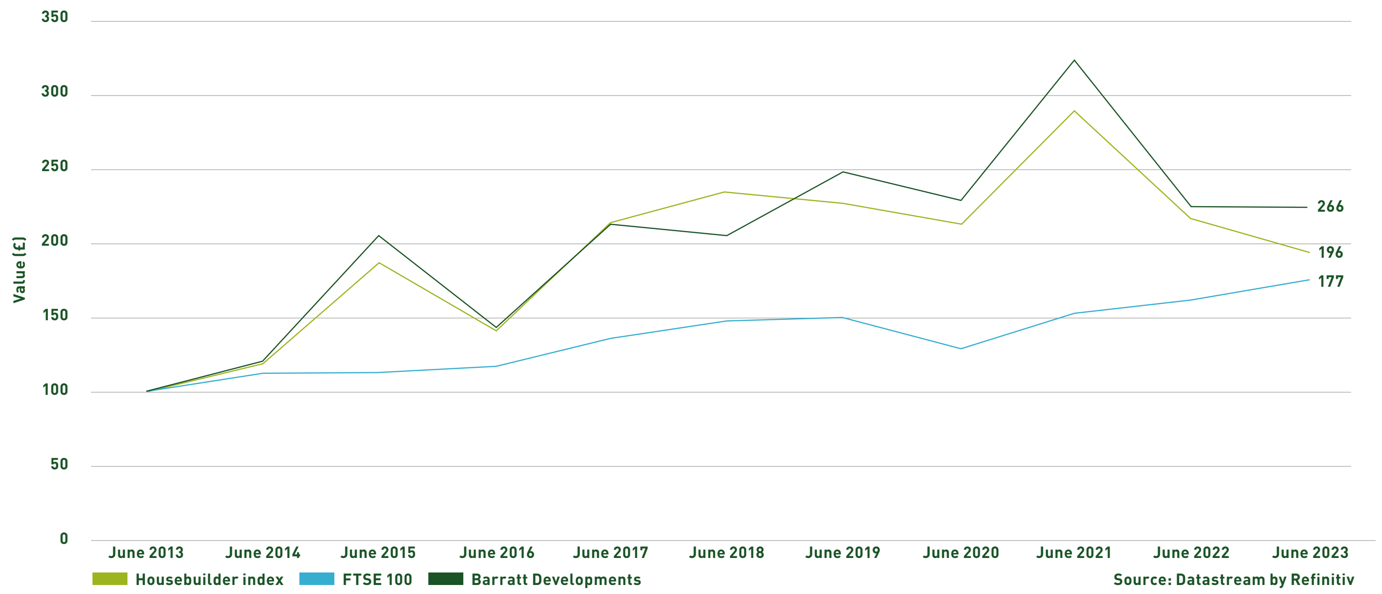
Table 17 – Chief Executive's pay

	Ten years to 30 June 2023									
	Mark Clare		David Thomas							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Chief Executive's total pay (£000)	6,430	7,363	3,155	3,331	2,720	3,727	1,251	3,761	2,738	**1,756**
Bonus outturn (as a percentage of maximum opportunity)	100.0	93.2	97.4	97.5	92.2	96.2	0	99.0	98.3	**40.1**
LTI vesting (as a percentage of maximum award)	95.8	100.0	100.0	100.0	76.4	92.8	19.4	80.0	59.3	**19.6**

TSR performance graph

The graph below, prepared in accordance with the reporting regulations, shows the TSR performance over the last ten years against the FTSE 100 and against an unweighted index of listed housebuilders. The Board has chosen these comparative indices as the Group and its major competitors are constituents of one or both of these indices. The TSR has been calculated using a fair method in accordance with the regulations.

Total Shareholder Return (value of £100 invested on 30 June 2013)



Remuneration Report continued
Annual Report on Remuneration continued

Annual percentage change in remuneration of Directors compared to employees

Table 18 shows the percentage change in salary, taxable benefits and annual bonus set out in the relevant single figure of remuneration tables paid to each Director compared to that of the average pay of all employees of Barratt Developments PLC, the Group parent company, in respect of the financial years ended 30 June 2020 to 30 June 2023, compared with their prior years.

Table 18 – Percentage change in remuneration

	FY23			FY22			FY21			FY20		
	Salary/ fees % change	**Benefits % change**	**Annual bonus % change**	Salary/ fees % change	Benefits % change	Annual bonus % change	Salary/ fees % change[1]	Benefits % change	Annual bonus % change	Salary/ fees % change	Benefits % change	Annual bonus % change
Executive Directors												
David Thomas	**2.9**	**3.6**	**(58.0)**	3.0	7.7	2.5	2.2	(10.3)	100.0	0.3	16.0	(100.0)
Steven Boyes	**3.0**	**(3.2)**	**(58.1)**	5.0	(25.0)	4.4	2.2	11.1	100.0	0.2	(12.2)	(100.0)
Mike Scott[2]	**78.3**	**100**	**(26.1)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors[3]												
John Allan	**18.1**	**(50)**	**N/A**	3.0	100.0	N/A	2.5	0	N/A	0	(50.0)	N/A
Nina Bibby	**(70.7)**	**N/A**	**N/A**	19.0	0	N/A	1.6	0	N/A	0	0	N/A
Katie Bickerstaffe[4]	**1.1**	**N/A**	**N/A**	41.5	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jasi Halai[4]	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jock Lennox	**0.9**	**N/A**	**N/A**	41.6	0	N/A	4.1	0	N/A	0	0	N/A
Caroline Silver[4]	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Weston[4]	**1.1**	**N/A**	**N/A**	43.8	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sharon White	**1.2**	**N/A**	**N/A**	32.8	0	N/A	3.2	0	N/A	0	0	N/A
Average pay of all employees in Barratt Developments PLC	**(2.6)**	**(12.1)**	**(32.6)**	(1.1)	(11.3)	(3.2)	7.7	(3.5)	100.0	4.0	6.4	(100.0)
Average pay of all employees in the Group[5]	**7.5**	**11.5**	**(39.5)**	7.8	(2.1)	(3.2)	0.4	2.1	100.0	0.8	(1.5)	(100.0)

1 The percentage changes in salary and fees of the Directors for FY21 takes into account a temporary 20% voluntary reduction in base salary in April and May 2020 covering the period our construction sites were temporarily closed as a consequence of COVID-19.

2 Mike Scott was appointed as an Executive Director effective 6 December 2021, therefore no percentage change in remuneration is displayed for years prior to FY23, and therefore the change in fees reflects the annualised fees that would have been earned for FY22.

3 The changes in fees of the Non-Executive Directors reflect the introduction of additional fees for committee membership, and increases in fees for Committee Chairs which took place for FY22, and were set out in detail on page 102 of the FY21 Annual Report and Accounts.

4 Katie Bickerstaffe and Chris Weston were appointed to the Board part way through FY21, and Jasi Halai and Caroline Silver were appointed to the Board part way through FY23. No percentage change in remuneration is displayed for the years they joined, and the changes in fees reflect the annualised fees that would have been earned for FY21 and FY23 respectively.

5 Average pay using all employees in the Group is also provided, as a more meaningful figure, as the parent company employs only a very few senior employees. The figure represents the mean employee pay.

Chief Executive pay ratio

The table below compares the single total figure of remuneration for the Chief Executive with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population.

Table 19 – Chief Executive pay ratio

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY23	Option B	45:1	32:1	24:1
FY22	Option B	81:1	63:1	38:1
FY21	Option B	115:1	94:1	60:1
FY20	Option B	40:1	32:1	21:1
FY19	Option B	123:1	88:1	59:1

The remuneration figures for the employee at each quartile were determined with reference to the financial year ending 30 June 2023.

Under Option B of The Companies (Miscellaneous Reporting) Regulations 2018, the latest available gender pay gap data (i.e. from 5 April 2023) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. The Committee is comfortable that this approach provides a fair representation of the Chief Executive to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational resource constraints.

A full-time equivalent total pay and benefits figure for the FY23 financial year was then calculated for each of those employees. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee is selected. The pay ratios outlined above were then calculated as the ratio of the Chief Executive's single figure to the total pay and benefits of each of these employees.

Each employee's pay and benefits were calculated using each element of employee remuneration on a full-time basis, consistent with the Chief Executive. No adjustments (other than the approximate up-rating of pay elements to achieve full-time equivalent rates) were made, with the exception of annual bonuses where the amount paid during the year for the annual bonus and H2 bonus was used (i.e. in respect of FY22) as the FY23 employee figures had not yet been determined at the time this report was produced. No components of pay have been omitted.

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

Table 20

	25th percentile (P25)	Median (P50)	75th percentile (P75)
Salary	£32,739	£43,410	£63,825
Total pay and benefits	£38,954	£54,158	£73,414

The FY23 pay ratios are lower than last year due to a decrease in the Chief Executive's single figure of remuneration compared to FY22 combined with an increase in the total pay and benefits for the P25, P50 and P75 employees. The decrease in CEO pay is a result of a lower vesting outcome of the 2020 LTPP award in comparison to the 2019 LTPP award that vested last year. The CEO annual bonus payout was also lower in FY23 compared to FY22. The median pay ratio has fluctuated since reporting began. This movement has primarily been driven by both changes in CEO pay outcomes and the impact of the pandemic on outcomes in recent years.

The Committee considers that the median pay ratio is consistent with the relative roles and responsibilities of the Chief Executive and the identified employee. Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The Chief Executive's remuneration package is weighted towards variable pay (including the annual bonus and LTPP) due to the nature of the role. This also means that the ratio is likely to fluctuate depending on the outcomes of incentive plans in each year (as illustrated by the ratios to date).

The Committee also recognises that, due to the nature of the Company's business and the ways in which we employ our staff, the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

Relative importance of spend on pay

The following table shows the Group's actual spend on pay (for all employees) relative to dividends and profit from operations:

Table 21 – Relative importance of spend on pay

	FY23 £m	FY22 £m	% change
Employee costs (including Executive Directors)	**527.2**	492.7	7%
Profit from operations[1]	**707.4**	646.6	9%
Dividend Distributions[2]	**327.6**	373.8	(12)%
Share Buyback[3]	**201.3**	0	N/A

1 Profit from operations has been chosen as a metric to compare against as it shows how spend on pay is linked to the Group's operating performance. The figure used is from the Consolidated Income Statement on page 182.

2 For FY22 this includes the interim and final dividends paid in May and November 2022. For FY23, this includes the interim dividend paid in May 2023, and the proposed final dividend for payment in November 2023, the value of which has been calculated based on the number of shares in issue as at 30 June 2023.

3 There were no share buybacks made during FY22.

Remuneration Report continued
Annual Report on Remuneration continued

Non-executive directorships
Details of the Group's policy on non-executive directorships held by Executive Directors is given in the Directors' Remuneration Policy table on page 151. Neither Steven Boyes nor Mike Scott held any non-executive directorships with other companies during the year. David Thomas is a non-executive director of the HBF for which he does not receive a fee. He also participates in a number of groups connected with the UK construction industry (in particular sustainability), for which no fee is paid.

Statement of shareholding vote at AGM
The latest resolution to approve the Directors' Remuneration Policy (a binding vote, to remain in place for three years following its approval by shareholders) and the resolution to approve last year's Annual Report on Remuneration (an advisory vote) were proposed to shareholders at the 2020 and 2022 AGMs respectively. The following votes were received:

Table 22 – Shareholder votes on Remuneration

	Vote on Remuneration Policy – 2020 AGM		Vote on Remuneration Report – 2022 AGM	
	Number of votes	% votes cast	Number of votes	% votes cast
Votes cast in favour	669,565,590	98.38	634,326,479	93.72
Votes cast against	10,994,399	1.62	42,480,457	6.28
Total votes cast	680,559,989	100.00	676,806,936	100.00
Votes withheld	121,686	—	501,737	—

This Remuneration Report was approved by the Board on 5 September 2023 and signed on its behalf by:

Katie Bickerstaffe
Chair of the Remuneration Committee
5 September 2023

Other statutory disclosures

Directors' Report
For the financial year ended 30 June 2023, the Strategic Report is set out on pages 1 to 52 and the Directors' Report on pages 74 to 171. The table below sets out the location of information required to be disclosed in the Directors' Report, which can be found in other sections of this Annual Report and Accounts and is incorporated by reference.

Information required	Page numbers
Arrangements under which a shareholder has waived or agreed to waive a dividend and details of the waiver[1]	217
Likely future developments in the business of the Group	1 to 70
Financial instruments	214 to 216
A description of the Company's policies on employment of people with disabilities	39
A description of the Company's employee engagement and involvement practices	35 to 39 and 55 and 56
Stakeholder engagement	54 to 65
Greenhouse gas emissions	97 and 98
Research and development activities	46 and 47

1 This item is a requirement of Listing Rule 9.8.4R. All other items are requirements of Schedule 7 of the Large and Medium-Sized Companies and Groups Regulations.

Dividends
An interim dividend of 10.2 pence per share was paid on 18 May 2023 to those shareholders on the register on 11 April 2023 (2022: 11.2 pence per share). The Directors recommend payment of a final dividend of 23.5 pence per share (2022: 25.7 pence per share) in respect of FY23. The final dividend will be paid, subject to shareholder approval at the 2023 AGM, on 3 November 2023 to shareholders on the register at close of business on 29 September 2023. Shareholders who wish to elect for the Dividend Reinvestment Plan should do so by 13 October 2023.

If approved, the total dividend for FY23 will be 33.7 pence per share (2022: 36.9 pence per share).

Annual General Meeting
The 2023 AGM will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on Wednesday 18 October 2023 at 12 noon. The notice convening the AGM is set out in a separate letter to shareholders.

Political donations and expenditure
The Company made no political donations during the year in accordance with its policy. In keeping with the Company's approach in prior years, shareholder approval is being sought at the 2023 AGM, as a precautionary measure, for donations and/or expenditure that may be construed as political by the wide definition of such terms provided under the Act.

Significant Shareholdings
In accordance with the DTRs, all notifications received by the Company are published on the Company's website, www.barrattdevelopments.co.uk, and via a Regulatory Information Service. As at 30 June 2023, the persons set out in the table below had notified the Company, pursuant to DTR 5.1, of their interests in the voting rights in the Company's issued share capital:

Notifiable Interests at 30 June 2023

Information required	Number of voting rights[1]	% of total issued share capital[2]	Nature of holding
FMR LLC	64,722,680	6.52	Indirect
BlackRock, Inc.	56,413,704	5.60	Indirect
Royal Bank of Canada	30,554,688	3.00	Direct

1 Represents the number of voting rights last notified to the Company at 30 June 2023 by the respective shareholder in accordance with DTR 5.1.
2 Based on the Total Voting Rights as at the relevant notification dates.

On 4July 2023, Royal Bank of Canada notified us that they no longer had a notifiable interest in the Company. At 6 September 2023, no further change in these holdings had been notified and no further notifications had been received. The Total Voting Rights of the Company, as announced on 31 August 2023, are 974,585,796.

Appointment and removal of Directors
The appointment and removal of Directors is governed by the Articles, the Act and related legislation. There shall be (unless otherwise determined by an ordinary resolution) no fewer than two and no more than 15 Directors appointed to the Board at any one time. Directors may be appointed by the Company by ordinary resolution or by the Board. In accordance with the Code and the Articles, at each AGM, all of the Directors shall retire from office at the date of the Notice of AGM and may offer themselves for reappointment by members. Directors may be removed before the expiration of their term of office by means set out in the Act and the Articles, including by special resolution.

Powers of the Directors including in relation to the allotment of shares
Subject to the Articles, the Act and any directions given by special resolution, the business of the Company is ultimately managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or otherwise. In particular, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertakings, property, assets and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company to any third party. At the AGM held on 17 October 2022, the Directors were given authority to allot shares up to an aggregate nominal value of £34,085,427 (representing approximately one-third of the nominal value of the Company's issued share capital as at 6 September 2022), such authority to remain valid until the end of the 2023 AGM or, if earlier, until the close of business on 17 January 2024. A resolution to renew this authority will be proposed at the 2023 AGM.

Other statutory disclosures continued

Directors' indemnities and insurance

Qualifying third-party indemnity provisions are in place for the Directors, former Directors and the Company Secretary, together with those who hold or have held these positions as officers of other Group companies or of associate or affiliated companies and members of the Executive Committee, to the extent permitted by law and the Articles, in respect of liabilities incurred in the course of performing their duties. In addition, the Company maintains directors' and officers' liability insurance for each Director of the Group and its associated companies.

Capital structure

The Company has a single class of share capital, which is divided into ordinary shares of 10 pence each. All issued shares are in registered form and are fully paid. Details of the Company's issued share capital and of the movements in the share capital during the year can be found in note 23 on page 216.

Shareholder voting rights and restrictions on transfer of shares

All the issued and outstanding ordinary shares of the Company have equal voting rights with one vote per share. There are no special control rights attaching to them, save that the Trustees of the EBT may vote or abstain from voting on shares held in the EBT in any way they think fit and in doing so may consider both financial and non-financial interests of the beneficiaries of the EBT or their dependants. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities. The rights, including full details relating to voting of shareholders and any restrictions on transfer relating to the Company's ordinary shares, are set out in the Articles and in the explanatory notes that accompany the Notice of the 2023 AGM. These documents are available on the Company's website at www.barrattdevelopments.co.uk.

Shareholder authority for purchase of own shares

At the Company's AGM held on 17 October 2022, shareholders authorised the Company to buy back up to an aggregate of 102,256,281 ordinary shares of 10 pence each (representing approximately 10% of the Company's issued share capital). This authority is valid until the end of the 2023 AGM (at which a renewal of that authority will be sought) or, if earlier, until the close of business on 17 January 2024. Under the authority, there is a minimum and maximum price to be paid for such shares. Any shares that are bought back may be held as treasury shares or, if not so held, will be cancelled immediately upon completion of the purchase, thereby reducing the Company's issued share capital. Following the excellent performance of the business throughout FY22 and our strong and resilient balance sheet, the Board approved a return of capital which is beyond the requirements for investment and growth in the business of £200m in FY23 through the implementation of a share buyback programme to reduce the share capital of the Company. 13,581,002 shares of 10 pence each were purchased during the year under a similar authority given at the Company's AGM on 13 October 2021. 34,404,291 shares of 10 pence each were purchased during the year under the authority given at the Company's AGM on 17 October 2022. All of the purchased shares have been cancelled.

Articles of Association

The Articles may only be amended by a special resolution of shareholders. The Articles were last amended at the Company's AGM held on 14 October 2020.

Approach to tax and tax governance

For all taxes, it is the Group's aim to ensure it accurately calculates and pays the tax that is due at the correct time. Whilst the Group does seek to minimise its tax liabilities through legitimate routine tax planning, it does not participate in aggressive tax planning schemes. The Group also seeks to be transparent in its dealings with HMRC and has regular dialogue with its representatives to discuss both developments in the business and the ongoing tax position. In accordance with UK legislation, we have published details of our tax strategy, and this can be found at www.barrattdevelopments.co.uk.

The Chief Financial Officer retains overall responsibility for oversight of the tax affairs of the Group. Mike Scott, Chief Financial Officer, is the Senior Accounting Officer throughout the year ended 30 June 2023. The Senior Accounting Officer receives regular updates on tax matters. In addition, tax management and strategy are reviewed at least annually by the Audit Committee, with no changes proposed for the year ended 30 June 2023.

Change of control

The following significant agreements as at 30 June 2023 contained provisions entitling the counterparties to exercise termination and/or other rights in the event of a change of control of the Company:

- an RCF agreement containing change of control provisions which provide that, on a change of control of the Company, the relevant counterparties may require the Company to immediately repay all amounts outstanding and would not be obliged to fund any further drawdown of the facility (other than rollover loans); and
- a note purchase agreement in respect of the Group's £200m privately placed notes containing change of control provisions which provide that, on a change of control of the Company, the noteholders may require the Company to prepay at par all outstanding amounts under the notes.

In addition, the Company's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control subject to the satisfaction of any performance conditions at that time.

The Company is not aware of any other significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company.

The Company does not have any agreements with any Director or employee that would provide compensation for loss of office or employment resulting from change of control following a takeover bid.

On behalf of the Board

Tina Bains
Company Secretary
5 September 2023

Statement of Directors' Responsibilities

Financial Statements and accounting records

The Directors are responsible for preparing the Annual Report and Accounts including the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted IAS. The Financial Statements also comply with IFRS as issued by the IASB. The Directors have also elected to prepare the Parent Company Financial Statements under United Kingdom adopted IAS.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

IAS 1 requires that Financial Statements present fairly for each financial year the relevant entity's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IASB's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's and the Group's (as the case may be) ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions on an individual and consolidated basis and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the Act. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Fair, balanced and understandable

The Board considers, on the advice of the Audit Committee, that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company and the Group's position, performance, business model and strategy.

Disclosure of information to auditor

In accordance with Section 418 of the Act, the Directors confirm that, so far as they are each aware, there is no relevant audit information that has not been brought to the attention of the Company's auditor. Each Director has taken all reasonable steps that they ought to have taken in accordance with their duty as a Director to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Directors' Responsibility Statement

The Directors confirm that, to the best of each person's knowledge:

a. the Group Financial Statements in the Annual Report and Accounts, which have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, and those of the Parent Company, which have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group taken as a whole; and

b. the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties they face.

The Directors of the Company and their functions are listed on pages 104 and 105.

By order of the Board.

David Thomas
Chief Executive
5 September 2023

The Directors' Report from pages 102 to 171 inclusive was approved by the Board on 5 September 2023 and is signed on its behalf by

Tina Bains
Company Secretary

Financial Statements

Contents

Key to financial icons

Throughout the Financial Statements you will see these icons used; they represent the following:

Group accounting policies

Critical accounting judgements and key sources of estimation uncertainty

Independent Auditor's Report
to the members of Barratt Developments PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Barratt Developments PLC (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement and Statement of Comprehensive Income;
- the Group and Company Statements of Changes in Shareholders' Equity;
- the Group and Company Balance Sheets;
- the Group and Company Cash Flow Statements; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 3 to the Financial Statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Margin recognition; and • Costs associated with legacy properties. Within this report, key audit matters are identified as follows: Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group Financial Statements was £45 million which represents 5.1% of adjusted profit before tax. Adjusted profit before tax is profit before tax and adjusted items as disclosed in the table following the Consolidated Income Statement and Statement of Comprehensive Income.
Scoping	Our scoping focused on the audit work of the two components, being housebuilding and joint ventures. All audit work was completed directly by the Group audit engagement team.
Significant changes in our approach	There were no significant changes to our audit approach, and it remains consistent with the prior year.

Independent Auditor's Report continued
to the members of Barratt Developments PLC

Report on the audit of the financial statements continued

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the relevant controls relating to the assessment of the appropriateness of the going concern assumption;
- assessing the Group's financing facilities including the nature of the facilities, repayment terms and compliance with loan covenants;
- challenging assumptions used in the going concern model by analysing the current and forecast performance of the Group, including working capital requirements by assessing management's assumptions against market data;
- assessing the wider macro-economic environment over the going concern period, with respect to increasing interest and inflation rates and their impact on house price and build cost assumptions, and whether this has been appropriately reflected in the forecasts;
- evaluating management's sensitivity analysis;
- assessing identified potential mitigating actions and the appropriateness of the inclusion of these in the going concern assessment;
- assessing the historical accuracy of forecasts; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Margin recognition

Key audit matter description	In FY23, adjusted margin was 21.2% (FY22: 24.8%). The Group's valuation and cost allocation framework determines the total profit forecast for each site. This allows the land and build costs of a development to be allocated to each individual unit, ensuring the forecast margin per unit is equalised across a development. At each year-end, Group management considers if an adjustment for house prices and build cost assumptions is required. This cost allocation framework drives the recognition of costs, and hence profit, as each unit is sold, which is the key estimate in the Income Statement and is where fraud could potentially occur. For each development there is estimation uncertainty in: • Estimating the inputs included within a site budget, including future revenues and costs to complete, in order to determine the level of profit that each unit of the development will deliver; • Determining future house price inflation and build cost inflation; • Appropriately allocating costs such as shared infrastructure relating to a development so that the gross profit margin (in percentage terms) achieved on each individual unit is equal; • Recognising site contingencies and their impact on margin; and • Recording the variation when a deviation from the initial budget occurs and ensuring such variations are appropriately recognised to those units impacted by the deviation. These estimates impact the carrying value of inventory in the balance sheet and therefore the profit recognised on each unit sold which aggregate to form the overall reported margin which is a key internal metric for the Group. Accordingly, we consider the recognition of cost per unit and therefore the appropriate margin to be a key audit matter. Refer to page 128 (Audit Committee Report) and notes 1 and 3 (financial statement disclosures including the related critical accounting judgements and key sources of estimation uncertainty).
How the scope of our audit responded to the key audit matter	Our work included the following: • Tested the relevant controls governing inventory costing which include site valuations, land acquisition feasibilities, expenditure and ongoing margin review; • Visited a sample of sites and verified the work completed to date. On a sample basis, agreed the cost incurred to source documentation to verify work in progress; • On a sample of sites, made enquiries with management to support their cost to complete estimates and obtained external supporting evidence regarding costs to complete; • Evaluated key estimates in the margin calculation, such as the current and forecast macro-economic conditions such as future sales volumes, house prices and construction build costs; • Analysed margins on a site-by-site and divisional basis to identify material movements in the site margins compared to prior year. We evaluated and assessed the material variances through enquiries with management and obtaining corroborative evidence; • Used bespoke data analytic techniques to analyse costs to complete. This enabled us to analyse the cost category composition for each site and comparing to budgeted positions and Group averages. We performed enquiries and obtained corroborative evidence for exceptions identified; • Analysed the cost per square foot of plots sold at a divisional level for the current year and compared this to cost per square foot in previous years, to analyse for any unusual trends which required corroboration from management; and • Made enquiries of management regarding their assessment of the impact of climate change on the forecast costs to complete and house prices and assessed the reasonableness of their assumptions.
Key observations	Based on the procedures performed, we concluded that the Group's cost allocation framework was reasonable for the intended purpose of recognising appropriate margins on plot completion. We concurred with the Group's assessment that, given the current market, no further adjustments for house price and build cost assumptions are required to underlying site valuations and margins are materially appropriate.

Independent Auditor's Report continued
to the members of Barratt Developments PLC

Report on the audit of the financial statements continued

5. Key audit matters continued

5.2. Costs associated with legacy properties

Key audit matter description	There is ongoing challenge and public scrutiny in relation to fire safety and cladding related issues at legacy developments. The Group has recognised a number of provisions in relation to changing building regulations and remediation of structural defects identified. The provisions also include the expected cost to address necessary fire-safety issues on all buildings of 11 metres and above following the adoption of the UK Government industry pledge by Barratt in April 2022 and the signing of the Self-Remediation Terms and Contract in March 2023. As a result of the evolving regulatory environment, including the signing of the Self-Remediation Terms and Contract, we continue to identify an increased level of risk in relation to the Group's obligations. We identified a key audit matter in relation to costs associated with legacy properties as the amount provided by the Group could be incomplete or not valued accurately for the remediation required. To date, there is limited actual evidence of the costs of remediation and the accounting for these provisions involves a number of key assumptions when estimating the future costs, and therefore this is identified as an area with a potential for fraud. The key judgements are: • determining which buildings the Group has an obligation to remediate at the balance sheet date; • the cost of the future works; • the duration over which the costs will be incurred; and • the discount and inflation rates applied. At the end of the financial year the Group holds provisions of £612.3m (2022: £479.5m) in relation to legacy properties. During the year, the Group incurred a charge of £258.2m (2022: £448.0m) and utilisation of £32.9m (2022: £20.3m) in relation to remediation costs. The additional provisions made have been recognised as an adjusted item and excluded from adjusted profit, as explained in note 4. Fire-safety regulations continue to evolve and the Group's internal investigations are ongoing in relation to their legacy buildings, required remediation on a building by building basis and potential liabilities. We identified a risk around whether the charge for FY23 has been recorded in the appropriate accounting period. Refer to page 128 (Audit Committee Report) and notes 1, 20 and 29 to the Financial Statements, including the disclosures relating to this key source of estimation uncertainty.
How the scope of our audit responded to the key audit matter	Our work included the following: • obtained an understanding of controls relevant to the recognition and estimation of costs associated with legacy properties; • assessed how the value of the provision has been determined and whether a present obligation to rectify the properties existed at the balance sheet date; • challenged that the increase in estimated costs have been recorded in the appropriate accounting period by assessing that all reliable information that could reasonably be expected to have been obtained was reflected in the provision recorded in the prior accounting period and that the charge for the year is a consequence of new information that became available during FY23; • validated a sample of cost estimates to underlying support such as third-party estimates, quotations or agreements in order to challenge management's estimates; and • assessed the associated disclosures, including consideration of costs classified as adjusted items. Specifically, in relation to the Self-Remediation Terms and Contract, we performed the following: • performed an assessment of the Group's legal liability through discussions with internal legal counsel and the Group's internal building safety unit; • performed an assessment of the application of UK laws in relation to responsibilities of freeholders; • analysed buildings with potential legal liability by considering the Group's portfolio of buildings against the commitments made under the Self-Remediation Terms and Contract; • assessed the estimated liability by understanding and challenging management's assumptions regarding the costs of remediation per plot, the number of plots to be remediated, the time period for the work to be completed and the discount factor applied to the overall provision; • challenged the completeness of the provision, including the contingency, by testing the key assumptions including the number of buildings with potential legal liability and the estimated liability per unit; and • assessed the disclosure included within the financial statements in relation to provisions and contingent liabilities, including the disclosure of the assumptions and associated sensitivities in relation to the key sources of estimation uncertainty.

Report on the audit of the financial statements continued

5. Key audit matters continued

5.2. Costs associated with legacy properties continued

Key observations	Based on the procedures performed we concluded the provision recorded to be appropriate based on information available at 30 June 2023, however we observed a high level of estimation uncertainty in the assumptions applied. Accordingly, we are satisfied with the disclosure of this provision as a key source of estimation uncertainty within note 1 of the financial statements potentially subject to future change.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£45 million (2022: £50 million)	£40.5 million (2022: £45 million)
Basis for determining materiality	Our determined materiality represents 5.1% (2022: 4.7%) of adjusted profit before tax. Adjusted profit before tax is profit before tax and adjusted items as disclosed in the table following the Consolidated Income Statement and Statement of Comprehensive Income.	Our basis for materiality was determined based upon 3% (2022: 3%) of the Company's net assets capped at 90% (2022: 90%) of Group materiality.
Rationale for the benchmark applied	We consider adjusted profit before tax to be an important benchmark of the performance of the Group. Whilst not an IFRS measure, adjusted profit before tax is one of the key metrics for the Group. It excludes some of the volatility arising from adjusted items and accordingly we consider it the appropriate basis.	Net assets was used as the benchmark because it provides a stable basis and there are volatile earnings between periods.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2022: 70%) of Group materiality	70% (2022: 70%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; and • Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £2.25 million (2022: £2.5 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The entire Group is audited by one audit engagement team, led by the Senior Statutory Auditor. Controls are common across the Group and there are two identified components, housebuilding and joint ventures, which take into consideration all of the Group's divisions, as well as the head office consolidation.

Each component was set a specific component materiality, considering its relative size and any component-specific risk factors such as internal control findings and history of error. The component materialities applied were in the range £15.75 million to £29.93 million (2022: £17.5m to £33.2m). Both components have been subject to a full scope audit

Independent Auditor's Report continued
to the members of Barratt Developments PLC

Report on the audit of the financial statements continued

7. An overview of the scope of our audit continued

7.2. Our consideration of the control environment

We obtained an understanding of the relevant internal controls over key audit matters, relating to margin recognition and legacy properties. We obtained an understanding of other relevant controls which we would expect in a housebuilder, namely those over land and work in progress and those over subcontractor and other expenses.

We assessed entity level controls at a Group level relating to the risk assessment process, monitoring of internal controls and information systems. This resulted in a more granular review of management's whistleblowing policy, code of ethics, HR and culture policy and fraud risk assessment.

In the current year, we have tested controls relating to margin recognition, subcontractors, expenditure, land and work in progress. Based on our work performed we adopted a controls reliance approach to our testing in these areas.

The Group IT landscape contains a number of IT systems, applications and tools used to support business processes and reporting. We enhanced our understanding of the Group's IT controls and performed testing of General IT Controls ("GITCs") of three key applications that support financial reporting processes, being TM1, COINs and Homebuilder, which included controls surrounding user access management and change management. Based on our work performed we adopted a controls reliance approach to GITCs of these applications.

7.3. Our consideration of climate-related risks

As part of our audit we have made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. As disclosed on page 77 the Group considers climate change to be a fundamental component of its environmental, social and governance principal risk within the business which in the medium term particularly impacts the Group's ability to build homes that are considered fit for purpose as well as potentially incurring significantly increased costs. In the long term, climate change could cause significant disruption to operations. These risks are consistent with those identified through our own risk assessment process. Due to its medium to longer term impact, the Group has assessed the impact of climate change on the viability of the business, as disclosed within the Viability Statement on page 99.

As part of our identification of key audit matters, we therefore assessed there to be an element of risk in relation to climate change as part of margin recognition. There is a risk that the forecast costs to complete do not include appropriate assumptions relating to climate change, for example, additional costs to ensure the homes meet customer and investor expectations. In addition to our procedures outlined in section 5.1 above, we have read the climate change related disclosures within the other information included in the annual report to consider whether they are materially consistent with the financial statements and our knowledge obtained during the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on the audit of the financial statements continued

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, internal legal counsel, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, fraud and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: margin recognition and costs associated with legacy properties. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, Building Safety Regulations and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included environmental and health and safety regulations.

Independent Auditor's Report continued
to the members of Barratt Developments PLC

Report on the audit of the financial statements continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.2. Audit response to risks identified

As a result of performing the above, we identified margin recognition and costs associated with legacy properties as key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Audit Committee, in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 99;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 99;
- the directors' statement on fair, balanced and understandable set out on page 171;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 72;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 71 and 72; and
- the section describing the work of the audit committee set out on page 127.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the shareholders at the Annual General Meeting held in 2007 to audit the financial statements for the year ending 30 June 2008 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 16 years, covering the years ending 30 June 2008 to 30 June 2023.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these Financial Statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Jacqueline Holden FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 September 2023

Consolidated Income Statement and Statement of Comprehensive Income
Year ended 30 June 2023

Continuing operations	Notes	2023 £m	2022 £m
Revenue	2	**5,321.4**	5,267.9
Cost of sales		**(4,346.5)**	(4,368.0)
Gross profit		**974.9**	899.9
Administrative expenses	3	**(270.8)**	(256.4)
Part-exchange income		**140.0**	84.4
Part-exchange expenses		**(136.7)**	(81.3)
Profit from operations	3	**707.4**	646.6
Finance income	6	**23.8**	2.5
Finance costs	6	**(34.9)**	(30.1)
Net finance costs	6	**(11.1)**	(27.6)
Share of post-tax profit from joint ventures	12	**8.8**	23.3
Profit before tax		**705.1**	642.3
Tax	7	**(174.8)**	(127.1)
Profit for the year being total comprehensive income recognised for the year		**530.3**	515.2
Profit and total comprehensive income for the year attributable to the owners of the Company		**530.3**	515.1
Profit and total comprehensive income for the year attributable to non-controlling interests	28	**—**	0.1
Earnings per share from continuing operations			
Basic	8	**53.2p**	50.6p
Diluted	8	**52.6p**	49.8p

There was no other comprehensive income in either year.

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Adjusted items:

	Notes	Gross profit 2023 £m	Gross profit 2022 £m	Profit from operations 2023 £m	Profit from operations 2022 £m	Share of post-tax profit from joint ventures 2023 £m	Share of post-tax profit from joint ventures 2022 £m	Profit before tax 2023 £m	Profit before tax 2022 £m
Reported profit		**974.9**	899.9	**707.4**	646.6	**8.8**	23.3	**705.1**	642.3
Cost associated with legacy properties	4	**158.2**	433.2	**158.2**	433.2	**23.7**	4.3	**181.9**	437.5
Legacy property recoveries	4	**(2.7)**	(25.0)	**(2.7)**	(25.0)	**—**	—	**(2.7)**	(25.0)
Adjusted profit		**1,130.4**	1,308.1	**862.9**	1,054.8	**32.5**	27.6	**884.3**	1,054.8

Statement of Changes in Shareholders' Equity
Group

	Share capital (note 23) £m	Share premium £m	Merger reserve (note 24) £m	Capital redemption reserve (note 25) £m	Own shares (note 26) £m	Share-based payments (note 27) £m	Group retained earnings due to shareholders of the Company £m	Total Group retained earnings due to shareholders of the Company £m	Non-controlling interests (note 28) £m	Total equity £m
At 1 July 2021	101.8	245.3	1,109.0	—	(4.7)	27.6	3,972.0	3,994.9	1.1	5,452.1
Profit for the year being total comprehensive income recognised for the year ended 30 June 2022	—	—	—	—	—	—	515.1	515.1	0.1	515.2
Dividend payments (note 9)	—	—	—	—	—	—	(337.0)	(337.0)	—	(337.0)
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(0.4)	(0.4)
Issue of shares	0.4	8.1	—	—	—	—	—	—	—	8.5
Share-based payments	—	—	—	—	—	24.2	—	24.2	—	24.2
Purchase of own shares by EBT	—	—	—	—	(28.5)	—	—	(28.5)	—	(28.5)
Transfers in respect of share options	—	—	—	—	6.2	(20.1)	12.0	(1.9)	—	(1.9)
Tax on share-based payments	—	—	—	—	—	(2.7)	1.8	(0.9)	—	(0.9)
At 30 June 2022	102.2	253.4	1,109.0	—	(27.0)	29.0	4,163.9	4,165.9	0.8	5,631.3
Profit for the year being total comprehensive income recognised for the year ended 30 June 2023	**—**	**—**	**—**	**—**	**—**	**—**	**530.3**	**530.3**	**—**	**530.3**
Dividend payments (note 9)	**—**	**—**	**—**	**—**	**—**	**—**	**(360.0)**	**(360.0)**	**—**	**(360.0)**
Distributions to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0.3)**	**(0.3)**
Issue of share capital	**—**	**0.1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0.1**
Buyback and cancellation of shares	**(4.8)**	**—**	**—**	**4.8**	**—**	**—**	**(201.3)**	**(201.3)**	**—**	**(201.3)**
Share-based payments	**—**	**—**	**—**	**—**	**—**	**10.2**	**—**	**10.2**	**—**	**10.2**
Purchase of own shares by EBT	**—**	**—**	**—**	**—**	**(14.0)**	**—**	**—**	**(14.0)**	**—**	**(14.0)**
Transfers in respect of share options	**—**	**—**	**—**	**—**	**17.8**	**(18.3)**	**(0.7)**	**(1.2)**	**—**	**(1.2)**
Tax on share-based payments	**—**	**—**	**—**	**—**	**—**	**(0.1)**	**1.4**	**1.3**	**—**	**1.3**
At 30 June 2023	**97.4**	**253.5**	**1,109.0**	**4.8**	**(23.2)**	**20.8**	**4,133.6**	**4,131.2**	**0.5**	**5,596.4**

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Statement of Changes in Shareholders' Equity
Company

	Share capital (note 23) £m	Share premium £m	Merger reserve (note 24) £m	Capital redemption reserve (note 25) £m	Own shares (note 26) £m	Share-based payments (note 27) £m	Retained earnings £m	Total retained earnings £m	Total equity £m
At 1 July 2021	101.8	245.3	1,109.0	—	(4.7)	25.9	2,046.4	2,067.6	3,523.7
Profit for the year being total comprehensive income recognised for the year ended 30 June 2022	—	—	—	—	—	—	500.2	500.2	500.2
Dividend payments (note 9)	—	—	—	—	—	—	(337.0)	(337.0)	(337.0)
Issue of shares	0.4	8.1	—	—	—	—	—	—	8.5
Share-based payments	—	—	—	—	—	24.2	—	24.2	24.2
Purchase of own shares by EBT	—	—	—	—	(28.5)	—	—	(28.5)	(28.5)
Transfers in respect of share options	—	—	—	—	6.2	(20.1)	6.4	(7.5)	(7.5)
Tax on share-based payments	—	—	—	—	—	(1.0)	0.7	(0.3)	(0.3)
At 30 June 2022	102.2	253.4	1,109.0	—	(27.0)	29.0	2,216.7	2,218.7	3,683.3
Profit for the year being total comprehensive income recognised for the year ended 30 June 2023	**—**	**—**	**—**	**—**	**—**	**—**	**501.9**	**501.9**	**501.9**
Dividend payments (note 9)	**—**	**—**	**—**	**—**	**—**	**—**	**(360.0)**	**(360.0)**	**(360.0)**
Issue of share capital	**—**	**0.1**	**—**	**—**	**—**	**—**	**—**	**—**	**0.1**
Buyback and cancellation of shares	**(4.8)**	**—**	**—**	**4.8**	**—**	**—**	**(201.3)**	**(201.3)**	**(201.3)**
Share-based payments	**—**	**—**	**—**	**—**	**—**	**10.2**	**—**	**10.2**	**10.2**
Purchase of own share for EBT	**—**	**—**	**—**	**—**	**(14.0)**	**—**	**—**	**(14.0)**	**(14.0)**
Transfers in respect of share options	**—**	**—**	**—**	**—**	**17.8**	**(18.3)**	**(6.7)**	**(7.2)**	**(7.2)**
Tax on share-based payments	**—**	**—**	**—**	**—**	**—**	**—**	**0.5**	**0.5**	**0.5**
At 30 June 2023	**97.4**	**253.5**	**1,109.0**	**4.8**	**(23.2)**	**20.9**	**2,151.1**	**2,148.8**	**3,613.5**

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Balance Sheets
At 30 June 2023

	Notes	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Assets					
Non-current assets					
Other intangible assets	10	**194.9**	205.4	**—**	—
Goodwill	10	**852.9**	852.9	**—**	—
Investments in subsidiary undertakings	11	**—**	—	**3,090.1**	3,092.5
Investments in jointly controlled entities	12	**129.8**	177.9	**—**	—
Property, plant and equipment	14	**58.1**	41.2	**6.1**	6.6
Right-of-use assets	15	**45.1**	35.6	**4.2**	4.2
Deferred tax assets	7	**—**	—	**2.6**	3.2
Trade and other receivables	17	**2.9**	6.5	**76.1**	76.1
		1,283.7	1,319.5	**3,179.1**	3,182.6
Current assets					
Inventories	16	**5,238.0**	5,291.6	**—**	—
Trade and other receivables	17	**182.1**	237.0	**15.9**	13.4
Current tax assets		**31.1**	9.9	**1.6**	3.1
Cash and cash equivalents	18	**1,269.1**	1,352.7	**1,005.0**	1,045.4
		6,720.3	6,891.2	**1,022.5**	1,061.9
Total assets		**8,004.0**	8,210.7	**4,201.6**	4,244.5
Liabilities					
Non-current liabilities					
Loans and borrowings	18	**(200.0)**	(200.0)	**(200.0)**	(200.0)
Trade and other payables	19	**(188.7)**	(240.5)	**—**	—
Lease liabilities	15	**(33.1)**	(26.6)	**(2.9)**	(3.1)
Deferred tax liabilities	7	**(53.5)**	(45.1)	**—**	—
Provisions	20	**(477.9)**	(359.6)	**—**	—
		(953.2)	(871.8)	**(202.9)**	(203.1)
Current liabilities					
Loans and borrowings	18	**(3.4)**	(17.3)	**—**	—
Trade and other payables	19	**(1,127.4)**	(1,414.4)	**(383.9)**	(357.0)
Lease liabilities	15	**(13.1)**	(10.5)	**(1.3)**	(1.1)
Provisions	20	**(310.5)**	(265.4)	**—**	—
		(1,454.4)	(1,707.6)	**(385.2)**	(358.1)
Total liabilities		**(2,407.6)**	(2,579.4)	**(588.1)**	(561.2)
Net assets		**5,596.4**	5,631.3	**3,613.5**	3,683.3
Equity					
Share capital	23	**97.4**	102.2	**97.4**	102.2
Share premium		**253.5**	253.4	**253.5**	253.4
Merger reserve	24	**1,109.0**	1,109.0	**1,109.0**	1,109.0
Capital redemption reserve	25	**4.8**	—	**4.8**	—
Total retained earnings		**4,131.2**	4,165.9	**2,148.8**	2,218.7
Equity attributable to the owners of the Company		**5,595.9**	5,630.5	**3,613.5**	3,683.3
Non-controlling interests	28	**0.5**	0.8	**—**	—
Total equity		**5,596.4**	5,631.3	**3,613.5**	3,683.3

The Financial Statements of Barratt Developments PLC (registered number 00604574) were approved by the Board and authorised for issue on 5 September 2023.

Signed on behalf of the Board:

David Thomas
Chief Executive

Mike Scott
Chief Financial Officer

Parent Company Income Statement

In accordance with the provisions of Section 408 of the Companies Act 2006, a separate Income Statement for the Company has not been presented. The Company's profit for the year was £501.9m (2022: £500.2m).

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Cash Flow Statements
Year ended 30 June 2023

	Notes	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Net cash inflow/(outflow) from operating activities (page 187)		**465.5**	417.6	**20.0**	(433.1)
Investing activities:					
Purchase of property, plant and equipment	14	**(23.1)**	(29.9)	**(2.6)**	(1.4)
Proceeds from the disposal of property, plant and equipment		**0.1**	1.0	**—**	—
Consideration, net of cash acquired, paid on acquisition of subsidiaries		**—**	(205.6)	**—**	—
Increase in amounts invested in jointly controlled entities	12	**(18.1)**	(17.9)	**—**	—
Repayment of amounts invested in jointly controlled entities	12	**40.2**	9.9	**—**	—
Distributions received from jointly controlled entities	12	**34.8**	16.5	**0.1**	—
Proceeds from the disposal of other investments		**—**	1.4	**—**	—
Dividends received from subsidiaries		**—**	—	**500.0**	517.4
Interest received		**21.5**	2.2	**19.8**	1.6
Net cash inflow/(outflow) from investing activities		**55.4**	(222.4)	**517.3**	517.6
Financing activities:					
Dividends paid to equity holders of the Company	9	**(360.0)**	(337.0)	**(360.0)**	(337.0)
Distribution made to non-controlling interest	28	**(0.3)**	(0.4)	**—**	—
Purchase of own shares for the EBT		**(14.0)**	(28.5)	**(14.0)**	(28.5)
Buy back and cancellation of shares		**(201.3)**	—	**(201.3)**	—
Proceeds from issue of share capital		**0.1**	8.5	**0.1**	8.5
Payment of dividend equivalents		**(1.2)**	(1.9)	**(1.2)**	—
Loans and borrowings repayments		**—**	(5.3)	**—**	—
Repayment of lease liabilities	15	**(13.9)**	(13.8)	**(1.3)**	(1.1)
Net cash outflow from financing activities		**(590.6)**	(378.4)	**(577.7)**	(358.1)
Net decrease in cash, cash equivalents and bank overdrafts		**(69.7)**	(183.2)	**(40.4)**	(273.6)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**1,335.4**	1,518.6	**1,045.4**	1,319.0
Cash, cash equivalents and bank overdrafts at the end of the year	18	**1,265.7**	1,335.4	**1,005.0**	1,045.4

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Reconciliation of profit from operations to cash flow from operating activities	Notes	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Profit from operations		**707.4**	646.6	**8.2**	12.8
Depreciation of property, plant and equipment	14	**6.1**	6.2	**3.1**	3.5
Loss on disposal of property, plant and equipment		**—**	3.2	**—**	3.8
Depreciation of right-of-use assets	15	**12.3**	13.0	**1.3**	1.1
Amortisation of intangible assets	10	**10.5**	4.3	**—**	—
Impairment/(reversal of impairment) of inventories	16	**4.7**	(2.2)	**—**	—
Share-based payments expense/(credit)	27	**10.2**	24.2	**(0.3)**	9.0
Imputed interest on long-term payables[1]	6	**(21.4)**	(14.4)	**—**	—
Imputed interest on lease arrangements	6	**(1.2)**	(0.9)	**—**	—
Amortisation of facility fees	6	**(1.9)**	(4.0)	**(1.9)**	(1.9)
Total non-cash items		**19.3**	29.4	**2.2**	15.5
Decrease/(increase) in inventories		**48.9**	(543.4)	**—**	—
Decrease/(increase) in receivables		**60.4**	20.8	**(0.2)**	5.8
(Decrease)/increase in payables		**(337.6)**	(10.7)	**37.5**	(433.6)
Increase in provisions	20	**163.4**	415.1	**—**	—
Total movements in working capital and provisions		**(64.9)**	(118.2)	**37.3**	(427.8)
Interest paid		**(10.4)**	(10.7)	**(27.7)**	(33.6)
Tax paid		**(185.9)**	(129.5)	**—**	—
Net cash inflow/(outflow) from operating activities		**465.5**	417.6	**20.0**	(433.1)

1 The Balance Sheet movements in land payables include non-cash movements due to imputed interest. Imputed interest is included within non-cash items in the statements above.

The notes on pages 188 to 234 form an integral part of these Financial Statements.

Notes to the Financial Statements
Year ended 30 June 2023

1. Basis of preparation

Introduction
The Financial Statements for the Group and Company have been prepared in accordance with UK adopted IAS in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of share-based payments.

Group accounting policies
The significant Group accounting policies are included within the relevant notes to the Financial Statements on pages 188 to 234.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of Financial Statements in conformity with UK adopted IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of the amounts, actual results may ultimately differ from those estimates. The Directors have made no individual critical accounting judgements that have a significant impact upon the Financial Statements, apart from those involving estimations.

The most significant estimates made by the Directors in these Financial Statements, which are the key sources of estimation uncertainty that may have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year, are:

- Margin recognition — see note 3; and
- Costs associated with legacy properties — see note 20.

Basis of consolidation
The Group Financial Statements include the results of Barratt Developments PLC (the Company), a public company limited by shares and incorporated in the United Kingdom, and all of its subsidiary undertakings, made up to 30 June. The Financial Statements of subsidiary undertakings are consolidated from the date that control passes to the Group, and up to the date control ceases. Control is achieved when the Group becomes entitled to the variable returns of the subsidiary and becomes exposed to its risks, and has the power to affect these risks and returns. Acquired entities are accounted for using the acquisition method of accounting. All transactions with subsidiaries and intercompany profits or losses are eliminated on consolidation.

Going concern
In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group and Company can continue to meet their liabilities and other obligations for the foreseeable future.

The Group's business activities, together with factors that the Directors consider are likely to affect its development, financial performance and financial position, are set out in the Strategic Report on pages 2 to 100. The material financial and operational risks and uncertainties that may affect the Group's performance and their mitigation are outlined on pages 71 to 77, and financial risks including liquidity, market, credit and capital risks are outlined in note 30 to the Financial Statements.

At 30 June 2023, the Group held cash of £1,269.1m and total loans and borrowings of £203.4m, consisting of £3.4m of overdrafts repayable on demand and £200.0m Sterling USPP notes maturing in August 2027. These balances, set against pre-paid facility fees, comprise the Group's net cash of £1,069.4m, presented in note 18.

Should further funding be required, the Group has a committed £700.0m RCF, subject to compliance with certain financial covenants, that matures in November 2027, with two further one-year extension periods through to November 2029, if agreed between the Group and its lenders.

As such, in consideration of its net current assets of £5,265.9m, the Directors are satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

Whilst the underlying fundamentals of the housing market remain attractive, uncertainty in the current market has increased. This has arisen from the ongoing impact of interest rate rises on mortgage affordability, industry-specific challenges such as further building safety costs or greenhouse gas emissions legislation along with material cost inflation and supply chain disruption. These, and other economic disruptions, could result in flat or negative economic growth, reduced buyer confidence, reduced mortgage availability and affordability, falls in house prices or land values and cost increases associated with raw materials, suppliers, subcontractors and employees.

The Group's financial forecasts reflect the outcomes that the Directors consider most likely, based on the information available at the date of signing of these Financial Statements.

1. Basis of preparation continued

Going concern continued
To assess the Group's resilience to more adverse outcomes, its forecast performance was sensitised to reflect a series of scenarios based on the Group's principal risks and the downside prospects for the UK economy and housing market presented in the latest available external economic forecasts.

This exercise included a reasonable worst-case scenario in which the Group's principal risks manifest in aggregate to a severe but plausible level. This assumed that average selling prices fall by 10%, sales volumes fall by 25% and construction costs increase by 3% in addition to the base forecasts, in addition to the implementation of a building safety levy and the acceleration of regulatory changes to reduce indirect greenhouse gas emissions.

The effects were modelled over the 12 months from the date of signing of these Financial Statements, alongside reasonable mitigation that the Group would expect to undertake in such circumstances, primarily a reduction in investment in inventories in line with the fall in expected sales and a 50% reduction in uncommitted land spend. In all scenarios, including the reasonable worst case, the Group is able to comply with its financial covenants, operate within its current facilities and meet its liabilities as they fall due.

Furthermore, reverse stress testing was performed to determine the market conditions in which the Group would cease to be able to operate under its current facilities within 12 months from the date of signing these Financial Statements. Based on past experience and current economic forecasts, the Directors consider the possibility of this outcome to be remote and have identified mitigation that would be adopted in such circumstances.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

Application of accounting standards
During the year ended 30 June 2023, the Group has applied accounting policies and methods of computation consistent with those applied in the prior year.

During the year, the Group has adopted the following new and revised standards and interpretations that have had no impact on the Financial Statements:

- Annual improvements 2018 — 2020: Amendments to IFRS 1 permitting a subsidiary as a first time adopter to apply cumulative translation differences; amendment to IFRS 9 clarifying fees to include when applying the 10% test in assessing derecognition of financial liabilities; amendment to IFRS 16 to resolve confusion over the treatment of leasehold incentives; and the amendment to IAS 41 regarding removing the requirement to exclude cash flows for taxation when measuring fair value;
- Amendment to IAS 37: Specifying which costs to include in calculating the liability, specifically those costs related to fulfilling a contract;
- Amendments to IFRS 3: Updating a reference to the Conceptual Framework for Financial Reporting; and
- Amendment to IAS 16: Prohibiting deduction of sales proceeds from the cost of property, plant and equipment.

Impact of standards and interpretations in issue but not yet effective
At the date of approval of these Financial Statements, there were a number of standards, amendments and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2023 and later periods. None of these are expected to have a material impact on the Group. The Group has not early adopted any standard, amendment or interpretation.

Notes to the Financial Statements continued
Year ended 30 June 2023

2. Revenue

The Group's revenue derives principally from the sale of the homes we build.

Revenue from the sale of residential and commercial properties

Revenue is recognised at legal completion in respect of the total proceeds of building and development. Revenue is measured at the fair value of consideration received or receivable and represents the amounts receivable for the property, net of discounts and VAT.

Revenue on contracts recognised over time

The Group considers all contracts with commercial customers and registered providers for affordable housing on a contract by contract basis and determines the appropriate revenue recognition based on the particular terms of that contract. For the majority of such contracts, there is a single performance obligation for which revenue is recognised at a point in time, when construction has been completed and control is transferred to the customer. The Group recognises revenue over time in relation to certain contracts with registered providers only in circumstances in which control of the associated land is transferred to the customer before or during construction. Revenue is only recognised from the point at which control of the associated land is transferred, considering the rights to economic benefit as well as legal title. Revenue is recognised because the construction activity enhances an asset that is controlled by the customer.

Where the outcome of a contract on which revenue is recognised over time can be estimated reliably, revenue is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally measured by surveys of work performed to date. The Group is satisfied that it is appropriate to measure performance by reference to surveys of work performed to date, because these surveys identify the extent to which benefits have been transferred to the customer. Variations to, and claims arising in respect of, such contracts are included in revenue to the extent that they have been agreed with the customer. Where the outcome of a contract on which revenue is recognised over time cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred. When it is probable that the total costs on a contract will exceed total contract revenue, the expected loss is immediately recognised as an expense in the Income Statement.

Other revenue

Revenue from separate contracts related to the development of homes is recognised on completion of the performance obligation to which it relates and included in other revenue. Revenue from warranties is recognised on a straight-line basis over the warranty period. Revenue from commercial contract management fees is recognised in the period in which it becomes receivable and included within other revenue. Revenue from planning promotion agreements is recognised at the point at which contractual obligations are satisfied.

An analysis of the Group's continuing revenue is as follows:

	Residential completions[1]		Revenue	
	2023 number	2022 number	**2023 £m**	2022 £m
Revenue from private residential sales	**12,456**	13,327	**4,578.5**	4,541.3
Revenue from affordable residential sales	**3,922**	3,835	**655.8**	611.4
Revenue from commercial sales	**—**	—	**64.7**	87.6
Revenue from planning promotion agreements	**—**	—	**20.4**	23.3
Sundry revenue	**—**	—	**2.0**	4.3
	16,378	17,162	**5,321.4**	5,267.9

1 Residential completions exclude JV completions of 828 homes (2022: 746) in which the Group has an interest.

Included within Group revenue is £192.7m (2022: £75.0m) of revenue from construction contracts on which revenue is recognised over time by reference to the stage of completion of work on the contracts (note 21). Of this amount, £4.0m (2022: £5.3m) was included in the contract liability balance at the beginning of the year.

Revenue includes £274.5m (2022: £171.3m) of revenue generated where the sale has been achieved using part-exchange incentives. Proceeds received on the disposal of part-exchange properties are not included in revenue on the basis that they are incidental to the main revenue-generating activities of the Group.

3. Profit from operations

Profit from operations includes all of the revenue and costs derived from the Group's operating businesses. Profit from operations excludes finance costs, finance income, the Group's share of profits or losses from JVs and tax.

The Group's principal activity is housebuilding. None of the other business activities undertaken by the Group, individually or in aggregate, account for more than 10% of the Group's revenue, profit or total assets and do not meet the IFRS 8 thresholds for disclosure. The operating results of these activities are not presented separately to the Board. Therefore, no segmental information is presented in these Financial Statements.

Margin recognition

In order to determine the profit that the Group is able to recognise on its developments in a specific period, the Group allocates site-wide development costs between homes built in the current year and in future years. It also has to estimate costs to complete on such developments and make estimates relating to future sales price margins on those developments and homes. In making these assessments there is a degree of inherent uncertainty.

The Group's site valuation process determines the forecast profit margin for each site. The valuation process acts as a method of allocating land costs and construction work in progress costs of a development to each individual plot and drives the recognition of costs in the Income Statement as each plot is sold. Any changes in the forecast profit margin of a site from changes in sales prices or costs to complete are recognised across all homes sold in both the current period and future periods. This ensures that the forecast site margin achieved on each individual home is equal for all current year completions and future plots across the development.

Management has performed a sensitivity analysis to assess the impact of a change in estimated future costs or forecast selling prices for developments on which sales were recognised in the year. A 3% increase in the forecast costs to complete would increase site-cost allocation in cost of sales in 2023 by £38.5m, resulting in a reduction in gross margin of 70 bps. A 3% increase in forecast private sales prices would reduce site-cost allocation in cost of sales in 2023 by £44.4m, resulting in an improvement in gross margin of 80 bps.

Depreciation of right-of-use assets

Right-of-use assets are depreciated in the Income Statement in equal instalments to the earlier of the end of the lease term or the end of the useful life of the asset.

Part-exchange income and expenses

Income on the sale of a part-exchange property is recognised at legal completion at the fair value of consideration received or receivable for the property.

Part-exchange properties are recognised in inventories at the lower of cost, being their fair value at acquisition, and their net realisable value. The amount of any write-down of inventories to net realisable value, or reversal of a previous write-down, is recognised in the Income Statement in the period in which it occurs.

The carrying amount of a part-exchange property is recognised as an expense in the period in which the related income is recognised. Maintenance costs are recognised in the Income Statement in the period in which they are incurred.

Profit from operations is stated after charging/(crediting):

	Notes	**2023 £m**	2022 £m
Cost of inventories recognised as an expense in cost of sales		**3,907.3**	3,761.9
Employee costs (including Directors)	5	**527.2**	492.7
Adjusted items:			
Costs associated with legacy properties	4	**158.2**	433.2
Amounts associated with legacy properties recovered from third parties	4	**(2.7)**	(25.0)
Depreciation of property, plant and equipment	14	**6.1**	6.2
Depreciation of right-of-use assets	15	**12.3**	13.0

Profit from operations is stated after charging the Directors' emoluments disclosed in the Remuneration Report on pages 137 to 168 and in note 5.

The Group does not recognise income from supplier rebates until it can be calculated reliably and it is certain that it will be received from suppliers. During the year, £32.8m (2022: £31.5m) of supplier rebate income was included within profit from operations.

Notes to the Financial Statements continued
Year ended 30 June 2023

3. Profit from operations continued

Administrative expenses

Administrative expenses of £270.8m (2022: £256.4m) include sundry income of £16.7m (2022: £21.2m), which principally comprises management fees receivable from JVs, the sale of freehold reversions, forfeit deposits and ground rent receivable.

Auditor's remuneration

The remuneration paid to Deloitte LLP, the Group's principal auditor, is disclosed below:

	2023 £000	2022 £000
Fees payable to the Company's auditor for the audit of the Company and Consolidated Financial Statements	852	680
Fees payable to the Company's auditor for the audit of the Company's subsidiaries[1]	186	262
Total audit fees	**1,038**	942
Audit-related assurance services[2]	43	37
Other services[3]	230	210
Total fees for other services	**273**	247
Total fees related to the Company and its subsidiaries	**1,311**	1,189

1 A reduced number of subsidiaries are being audited by the Group auditor in the current year.
2 Audit-related assurance services comprise the review of the Interim Report.
3 Other services comprise assurance services over selected ESG metrics and compliance with the recommendations of the TCFD and review procedures over selected non-financial disclosures in the Annual Report.

Details of the Group's policy on the use of the Company's principal auditor for non-audit services and auditor independence are set out in the Audit Committee Report on pages 130 to 132. No services were provided under contingent fee arrangements.

In addition to the remuneration paid to the Company's auditor for services related to the Company and its subsidiaries, the auditor received the following remuneration from JVs in which the Group participates:

	2023 £000	2022 £000
The audit of the Group's JVs pursuant to legislation[1]	80	227
Total fees related to joint ventures	**80**	227

1 A reduced number of JVs are being audited by the Group auditor in the current year.

4. Adjusted items

Adjusted items

In determining whether an item should be presented as an adjustment to IFRS measures, the Group considers items that are material to the Group in aggregate and have arisen from one-off or unusual circumstances that could not reasonably have been expected to arise from normal trading. If an item meets these criteria the Board then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS. Examples of events that may give rise to the classification of items as adjusted are charges or credits in respect of legacy properties, the restructuring of existing and newly acquired businesses, and certain government grants.

The Directors use these adjusted measures, along with IFRS measures, to assess the operational performance of the Group as detailed in the key performance indicators section of the Strategic Report on pages 16 to 19.

	2023 £m	2022 £m
Costs incurred in respect of legacy properties	158.2	433.2
Amounts in respect of legacy properties recovered from third parties	(2.7)	(25.0)
Adjusted items in cost of sales	**155.5**	408.2
Costs incurred in respect of legacy properties by joint ventures	23.7	4.3
Total adjusted items	**179.2**	412.5

Cost associated with legacy properties:

The adjusted costs in the year, associated with Group legacy properties, comprise additions to provisions of £262.0m, provision releases of £44.9m, revaluation of £58.9m and reimbursements recognised directly in the Income Statement of £2.7m. In addition £23.7m of costs in respect of JV legacy properties were incurred in the year. Further details of provisions movements are provided in note 20.

5. Key management, employees and retirement benefit obligations

Key management and employees

Key management personnel, as defined under IAS 24: 'Related Party Disclosures', have been identified as the Board of Directors, as the controls operated by the Group ensure that all key decisions are reserved for the Board. Detailed disclosures of individual remuneration, pension entitlements and share options for those Directors who served during the year are given in the audited sections within the Remuneration Report on pages 159 to 162.

A summary of key management remuneration is as follows:

	2023 £m	2022 £m
Salaries and fees (including pension compensation)	3.1	2.9
Social security costs[1]	1.0	1.1
Performance bonus	1.2	2.5
Benefits	0.1	0.1
Share-based payments[2]	(0.3)	2.6
Total	**5.1**	9.2

1 Excluded from the Executive Directors' and Non-Executive Directors' single figure of remuneration tables on page 159.
2 IFRS 2: 'Share-Based Payments' (credit)/charge attributable to key management.

Total employee numbers and costs are as follows:

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Average employee numbers (excluding sub-contractors and including Directors)	**7,031**	6,564	**490**	412

		Group		Company	
	Notes	2023 £m	2022 £m	2023 £m	2022 £m
Employee costs (including Directors):					
Wages and salaries including bonuses		443.2	402.7	47.8	45.2
Redundancy costs		2.0	0.7	0.4	0.2
Social security costs		52.6	50.2	6.8	8.3
Other pension costs		19.2	14.9	2.1	1.6
Share-based payments	27	10.2	24.2	(0.3)	9.0
Employee costs for the year		**527.2**	492.7	**56.8**	64.3

The majority of the costs of the Company's employees are charged to other Group companies.

Retirement benefit obligations

The Group operates several defined contribution pension schemes.

Defined contribution schemes

The Group's contributions to the schemes are charged in the Income Statement in the year in which the scheme members become entitled to contributions.

The Group operates defined contribution retirement benefit schemes for all qualifying employees, under which it pays contributions to independently administered funds. Contributions are based upon a fixed percentage of the employee's pay and once these have been paid, the Group has no further obligations under these schemes.

	2023 £m	2022 £m
Contributions during the year:		
Group defined contribution schemes' Consolidated Income Statement charge	19.2	14.9

At the balance sheet date, there were outstanding contributions of £2.8m (2022: £2.3m), which were paid on or before the due date.

Notes to the Financial Statements continued
Year ended 30 June 2023

6. Net finance costs

Finance costs and income

The Group recognises finance costs and income on bank borrowings, deposits and other borrowings in the Income Statement in the period to which they relate. Imputed interest on discounted assets, including land purchased on deferred terms and leased assets, is charged to the Income Statement over the period of settlement or lease period respectively.

Recognised in the Consolidated Income Statement:

	2023 £m	2022 £m
Finance income:		
Finance income on short-term bank deposits	**(22.0)**	(1.9)
Other interest receivable	**(1.8)**	(0.6)
	(23.8)	(2.5)
Finance costs:		
Interest on loans and borrowings	**9.3**	9.5
Imputed interest on long-term payables	**21.4**	14.4
Finance charge on leased assets	**1.2**	0.9
Amortisation of facility fees	**1.9**	4.0
Other interest payable	**1.1**	1.3
	34.9	30.1
Net finance costs	**11.1**	27.6

The weighted average interest rates (excluding fees) paid in the year were as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
USPP notes	**2.8**	2.8	**2.8**	2.8

7. Tax

All profits of the Group are subject to UK corporation tax.

The current year tax charge has been provided for, by the Group, at a standard effective rate, inclusive of RPDT, of 24.5% (2022: 20.0%) and by the Company at a standard effective rate of 20.5% (2022: 19.0%). The closing deferred tax assets and liabilities have been provided in these Financial Statements at a rate of 20.5% — 29.0% (2022: 19.0% — 29.0%) on the temporary differences giving rise to these assets and liabilities.

Tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

7. Tax continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date, and is charged or credited to the Income Statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in JVs, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax recognised in the Income Statement

The tax expense represents the sum of the tax currently payable and deferred tax.

Analysis of the tax charge for the year	2023 £m	2022 £m
Current tax:		
UK corporation tax on profits for the year	**147.2**	122.9
RPDT for the year	**26.0**	6.3
Adjustment in respect of previous years	**(6.7)**	(8.2)
	166.5	121.0
Deferred tax:		
Origination and reversal of temporary differences	**1.8**	2.2
Adjustment in respect of previous years	**7.2**	2.6
Impact of change in tax rates	**(0.7)**	(1.2)
Impact of introduction of RPDT	**—**	2.5
	8.3	6.1
Tax charge for the year	**174.8**	127.1

Factors affecting the tax charge for the year

The tax rate assessed for the year is higher (2022: lower) than the standard effective rate of corporation tax in the UK of 24.5% (inclusive of RPDT) (2022: 20.0%). The differences are explained below:

	2023 £m	2022 £m
Profit before tax	**705.1**	642.3
Profit before tax multiplied by the standard rate of corporation tax of 24.5% (inclusive of RPDT) (2022: 20.0%)	**172.7**	128.5
Effects of:		
Other items including non-deductible expenses and non-taxable income	**4.5**	5.0
Additional tax relief for land remediation costs	**(2.2)**	(2.1)
Adjustment in respect of previous years	**0.5**	(5.6)
Impact of change in tax rates	**(0.7)**	(1.2)
Impact of introduction of RPDT	**—**	2.5
Tax charge for the year	**174.8**	127.1

Notes to the Financial Statements continued
Year ended 30 June 2023

7. Tax continued

Tax recognised in equity

In addition to the amount charged to the Consolidated Income Statement, a net current and deferred tax charge of £1.3m (2022: £0.9m) was recognised directly in equity.

Deferred tax

All deferred tax relates to the UK and is stated on a net basis as the Group has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis. The Group recognised a net deferred tax liability with the following movements in the year:

	Group					
	Share options £m	Brands £m	Accelerated capital allowances £m	Customer contracts £m	Other (net) £m	Total £m
At 1 July 2021	8.6	(25.0)	0.9	—	6.6	(8.9)
Year ended 30 June 2022:						
Income Statement (charge)/credit	(2.1)	(4.0)	(0.4)	—	0.6	(6.1)
Acquired with subsidiary undertaking	—	(2.7)	—	(24.7)	—	(27.4)
Amounts taken directly to equity	(2.7)	—	—	—	—	(2.7)
At 30 June 2022	3.8	(31.7)	0.5	(24.7)	7.0	(45.1)
Comprising:						
Deferred tax assets	3.8	—	0.5	—	5.7	10.0
Deferred tax liabilities	—	(31.7)	—	(24.7)	1.3	(55.1)
Year ended 30 June 2023:						
Income Statement (charge)/credit	**(0.9)**	**0.1**	**(11.5)**	**3.4**	**0.6**	**(8.3)**
Amounts taken directly to equity	**(0.1)**	**—**	**—**	**—**	**—**	**(0.1)**
At 30 June 2023	**2.8**	**(31.6)**	**(11.0)**	**(21.3)**	**7.6**	**(53.5)**
Comprising:						
Deferred tax assets	**2.8**	**—**	**—**	**—**	**7.6**	**10.5**
Deferred tax liabilities	**—**	**(31.6)**	**(11.0)**	**(21.3)**	**—**	**(64.0)**

The deferred tax liability in respect of indefinite life and other brands represents the amount of tax that would become due if the brands were sold at their book value. There is no intention to sell the indefinite life brands in the foreseeable future and it is not anticipated that any of the deferred tax liability in respect of the indefinite life brands will reverse in the 12 months following the balance sheet date. The deferred tax asset in respect of share schemes represents an estimate of the future tax deduction available on the exercise or vesting of awards under those schemes.

While it is anticipated that an element of the remaining deferred tax assets and liabilities will reverse during the 12 months following the balance sheet date, at present it is not possible to accurately quantify the value of all of these reversals.

In addition to the deferred tax liability shown above, the Group has not recognised a deferred tax asset of £9.6m (2022: £2.1m) in respect of capital and other losses amounting to £33.3m (2022: £10.0m) because these are not considered recoverable in the foreseeable future.

7. Tax continued

Deferred tax continued

The Company recognised a net deferred tax asset with the following movements in the year:

	Company			
	Share options £m	Accelerated capital allowances £m	Other (net) £m	Total £m
At 1 July 2021	3.6	0.8	0.3	4.7
Year ended June 2022:				
Income Statement (charge)/credit	(1.3)	0.6	0.2	(0.5)
Amounts taken directly to equity	(1.0)	—	—	(1.0)
At 30 June 2022	1.3	1.4	0.5	3.2
Comprising:				
Deferred tax assets	1.3	1.4	0.5	3.2
Year ended 30 June 2023:				
Income Statement (charge)/credit	**(0.4)**	**(0.5)**	**0.3**	**(0.6)**
Amounts taken directly to equity	**—**	**—**	**—**	**—**
At 30 June 2023	**0.9**	**0.9**	**0.8**	**2.6**
Comprising:				
Deferred tax assets	**0.9**	**0.9**	**0.8**	**2.6**

8. Earnings per share

The earnings per share from continuing operations were as follows:

	2023 pence	2022 pence
Basic earnings per share	**53.2**	50.6
Diluted earnings per share	**52.6**	49.8
Adjusted basic earnings per share	**67.3**	83.0
Adjusted diluted earnings per share	**66.5**	81.7

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding those held by the EBT that do not attract dividend equivalents and which are treated as cancelled.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive share options from the start of the year.

During the year, the Company has bought back and cancelled 47,985,293 of its own shares (2022: nil). The impact of this has been to increase basic earnings per share by 1.1 pence and diluted earnings per share by 1.2 pence.

Adjusted basic and adjusted diluted earnings per share exclude the impact of adjusted items and any associated net tax amounts.

	2023	2022
Profit attributable to ordinary shareholders of the Company (£m)	**530.3**	515.1
Adjusted items (£m)	**179.2**	412.5
Tax on adjusted items (£m)	**(39.3)**	(82.5)
Adjusted profit attributable to ordinary shareholders of the Company (£m)	**670.2**	845.1
Weighted average number of shares in issue (million)	**1,000.1**	1,021.9
Weighted average number of shares in EBT (million)	**(3.8)**	(3.2)
Weighted average number of shares for basic earnings per share (million)	**996.3**	1,018.7
Weighted average number of shares in issue (million)	**1,000.1**	1,021.9
Adjustment to assume conversion of all potentially dilutive shares (million)	**8.4**	12.4
Weighted average number of shares for diluted earnings per share (million)	**1,008.5**	1,034.3

Notes to the Financial Statements continued
Year ended 30 June 2023

9. Dividends

	2023 £m	2022 £m
Amounts recognised as distributions to equity shareholders in the year:		
Final dividend for the year ended 30 June 2022 of 25.7p (2021: 21.9p) per share	**259.8**	223.0
Interim dividend for the year ended 30 June 2023 of 10.2p (2022: 11.2p) per share	**100.2**	114.0
Total dividends distributed to equity shareholders in the year	**360.0**	337.0

	2023 £m	2022 £m
Proposed final dividend for the year ended 30 June 2023 of 23.5p (2022: 25.7p) per share[1]	**227.9**	261.4

1 The cost of the proposed dividend is calculated based upon the number of shares ranking for dividend at the balance sheet date.

The final dividend of 23.5 pence per share was approved by the Board on 5 September 2023 and has not been included as a liability as at 30 June 2023.

10. Goodwill and intangible assets

Goodwill

Goodwill arising on consolidation (see note 32 for the Group policy on consolidation) represents the excess of the fair value of the consideration over the fair value of the separately identifiable net assets and liabilities acquired.

Goodwill arising on the acquisition of subsidiary undertakings and businesses is capitalised as an asset but reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination at acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the Income Statement and is not subsequently reversed.

	Group	
	2023 £m	2022 £m
Cost		
At 1 July	**877.4**	830.4
Arising on acquisition during the year	**—**	47.0
At 30 June	**877.4**	877.4
Accumulated impairment losses		
At 1 July and 30 June	**24.5**	24.5
Carrying amount		
At 30 June	**852.9**	852.9

The Group's goodwill relating to the acquisition of Wilson Bowden Limited in 2007 has a carrying value of £792.2m and goodwill relating to the 2019 acquisition of Oregon Timber Frame Limited has a carrying value of £13.7m, both relating to the housebuilding business.

During the prior year, the Group acquired all of the share capital of Gladman Developments Limited. Goodwill of £47.0m arising on the acquisition was capitalised and allocated to the Group's acquired land promotion business. No revision of the acquisition accounting for Gladman Developments Limited was necessary in the current year.

10. Goodwill and intangible assets continued

Other intangible assets

Brands

The Group has capitalised, as intangible assets, brands that have been acquired. Acquired brand values are calculated using discounted cash flows. Where a brand is considered to have a finite life, it is amortised over its useful life on a straight-line basis. Where a brand is capitalised with an indefinite life, it is not amortised. The factors that contribute to the durability of brands capitalised are that there are no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of these intangible assets. Internally generated brands are not capitalised.

The Group carries out an annual impairment review of indefinite life brand as part of the review of the carrying value of goodwill, by performing a value in use calculation, using a discount factor based upon the Group's pre-tax weighted average cost of capital.

Customer contract relationships

The Group has capitalised, as intangible assets, acquired customer contract relationships. Customer contract relationships are valued at the present value of future cash flows and are amortised on a straight-line basis over ten years. Internally generated customer contract relationships are not capitalised.

Customer contracts

The Group has capitalised, as intangible assets, acquired customer contracts. Customer contracts are valued at the present value of future cash flows less contributory asset charges and are amortised on a straight-line basis in line with contract relationships at the acquisition date.

	Group							
	Brands		Customer contract relationships		Customer contracts		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Cost								
At 1 July	**118.7**	107.9	**—**	1.4	**98.9**	—	**217.6**	109.3
Acquired in the year	**—**	10.8	**—**	—	**—**	98.9	**—**	109.7
Amounts written off	**—**	—	**—**	(1.4)	**—**	—	**—**	(1.4)
At 30 June	**118.7**	118.7	**—**	—	**98.9**	98.9	**217.6**	217.6
Amortisation								
At 1 July	**8.1**	7.9	**—**	1.4	**4.1**	—	**12.2**	9.3
Amortisation in the year	**0.6**	0.2	**—**	—	**9.9**	4.1	**10.5**	4.3
Amounts written off	**—**	—	**—**	(1.4)	**—**	—	**—**	(1.4)
At 30 June	**8.7**	8.1	**—**	—	**14.0**	4.1	**22.7**	12.2
Carrying amount								
At 30 June	**110.0**	110.6	**—**	—	**84.9**	94.8	**194.9**	205.4

The Group does not amortise the housebuilding brand acquired with Wilson Bowden, being David Wilson Homes, valued at £100.0m, as the Directors consider that this brand has an indefinite useful economic life due to the Group intending to hold and support the brand for an indefinite period, and there are no factors that would prevent it from doing so.

During the prior year, in its acquisition of Gladman Developments Limited, the Group acquired brands valued at £10.8m and customer contracts valued at £98.9m. The customer contracts are amortised on a straight-line basis over the expected life of the contracts; the brands acquired are amortised on a straight-line basis over a 20-year period.

Notes to the Financial Statements continued
Year ended 30 June 2023

10. Goodwill and intangible assets continued

Impairment of goodwill and indefinite life brand

The Group conducts an annual impairment review of goodwill and its indefinite life brand, David Wilson Homes.

Impairment of goodwill and indefinite life brand

Impairment reviews for goodwill and the Group's indefinite life brand require an estimation of the value in use of the cash-generating units to which these assets are allocated. The value in use calculations require an estimate of expected future cash flows, including the anticipated growth rate of revenue and costs, and require the determination of a suitable discount rate to calculate the present value of the cash flows. The financial forecasts used reflect the outcomes that management considers most likely, based on the information available at the date of signing of these Financial Statements.

Goodwill and indefinite life brand allocated to housebuilding

An impairment review was performed at 30 April 2023 by comparing the value in use of the housebuilding business to the carrying value of its tangible and intangible assets and allocated goodwill.

The value in use was determined by discounting the expected future cash flows of the housebuilding business. The cash flows until 30 June 2025 were determined using the Group's approved detailed business plan and the cash flows for FY26 to FY28 were based on high level management projections based upon expected volumes, selling prices and margins, taking into account available land purchases and work in progress levels. The cash flows for subsequent years were extrapolated in perpetuity using an estimated growth rate of 1%, based upon the historical long-term growth rate of the UK economy.

The key assumptions for the value in use calculation for the housebuilding business were:

- expected changes in selling prices for completed houses and the related impact on operating margin: these are determined on a site-by-site basis in the Group's approved business plan dependent upon local market conditions and product type. For subsequent years, these have been estimated at a Group level based upon past experience and expectations of future changes in the market, considering external market forecasts;
- sales volumes: these are determined on a site-by-site basis in the Group's approved business plan dependent upon local market conditions, land availability and planning permissions. For subsequent years, these have been estimated at a Group level based on past experience and expectations of future changes in the market, taking into account external market forecasts;
- expected changes in site costs to complete: these are determined on a site-by-site basis in the Group's approved business plan dependent upon the expected costs of completing all aspects of each individual development. For subsequent years, these have been estimated at a Group level based on past experience and expectations of future changes in the market, taking into account external market forecasts; and
- discount rate: this is a pre-tax rate reflecting the Group's target capital structure, risks appropriate to the housebuilding business and current market assessments of the time value of money. A rate of 15.0% (2022: 14.9%) is considered by the Directors to be the appropriate pre-tax discount rate.

The result of the value in use exercise concluded that the recoverable value of goodwill and intangible assets allocated to the housebuilding business exceeded its carrying value by £1,176.0m (2022: £1,780.4m) and there has been no impairment.

Goodwill allocated to land promotion

An impairment review was performed at 30 June 2023 by comparing the value in use of the land promotion business to the carrying value of its tangible and intangible assets and allocated goodwill.

The value in use was determined by discounting the expected future cash flows of the land promotion business. This is the first full year after the land promotion business was acquired by the Group. The operating cycle for the land promotion business extends over a longer period than the housebuilding business, with land sales completing at the point in an economic cycle that generates the most profit. Inventories held at the current date may generate cash inflows in the medium- to long-term and as a result, management's forecasts extend up to ten years from the reporting date. It is therefore appropriate to consider projections over a longer period in the value in use calculation. Cash flows until 30 June 2032 were determined using the business's approved forecast, dependent upon expected site permissions and best estimates for targeted site sales, anticipated spend and overhead inflation. Due to the sensitivity of cash flows of the land promotion business to the economic cycle, the cash flows for years subsequent to 2032 were based on an average sales receipts from the final five years of the forecast, adjusted for expected increases in cost, extrapolated in perpetuity using an estimated growth rate of 1%, based upon the historical long-term growth rate of the UK economy. Value in use assessments going forward will be completed over equivalent periods.

The key assumptions for the value in use calculation were the expected sales values achieved under land promotion agreements, based on current market values for similar land, costs required to fulfil customer contracts, and the discount rate of 14.3% (2022: 15.0%), being a pre-tax rate reflecting the risks appropriate to the land promotion business and current market assessments of the time value of money.

The result of the value in use exercise concluded that the recoverable amount of goodwill allocated to the land promotion business exceeded its carrying value by £13.1m (2022: £9.6m) and there has been no impairment. An increase in the discount rate of 60 bps would reduce the headroom of the recoverable amount over the carrying value to nil.

11. Company investments in subsidiary undertakings

Company investments

The Company's interests in subsidiary undertakings are accounted for at cost less accumulated provision for impairment, which is reviewed annually.

Where share-based payments are granted to the employees of subsidiary undertakings by the Company, they are treated as a capital contribution to the subsidiary and the Company's investment in the subsidiary is increased accordingly.

	Company 2023 £m	Company 2022 £m
Cost:		
Cost at the beginning of the year	**3,180.1**	3,175.6
(Decrease)/increase in investment in subsidiaries related to share-based payments	**(2.4)**	4.5
At 30 June	**3,177.7**	3,180.1
Impairment:		
At beginning of the year and at 30 June	**87.6**	87.6
Net book value:		
At 30 June	**3,090.1**	3,092.5

12. Investments in jointly controlled entities

A jointly controlled entity (joint venture or "JV") is an entity, including unincorporated entities such as partnerships, in which the Group holds an interest with one or more other parties where a contractual arrangement has established joint control over the entity.

The Group has no associated entities.

Jointly controlled entities

Investments in jointly controlled entities are accounted for using the equity method of accounting.

The Group's share of the profit or loss of jointly controlled entities increases or decreases the carrying amount of the investment and long-term interests.

Investments in JVs	Group 2023 £m	Group 2022 £m
At the beginning of the year	**177.9**	163.1
Increase in amounts invested in JVs	**18.1**	17.9
Repayment of investments in JVs	**(40.2)**	(9.9)
Dividends received from JVs	**(34.8)**	(16.5)
Share of post-tax profit for the year from JVs	**8.8**	23.3
At 30 June	**129.8**	177.9

There are no losses in any of the Group's JVs that have not been recognised by the Group.

During the year, the Company received a distribution of £0.1m from its JV, Rose Shared Equity LLP, which was subsequently dissolved. At the balance sheet date the Company had no investments in JVs.

Notes to the Financial Statements continued
Year ended 30 June 2023

12. Investments in jointly controlled entities continued

At 30 June 2023, the Group had interests in the following JVs:

JV	Percentage owned	Voting rights controlled	Country of registration	Principal place of business	Principal activity	Financial year end date
51 College Road LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Alie Street LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Barratt Metropolitan LLP[2]	75.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (East Grinstead) Limited	50.0%	50.0%	England and Wales	UK	Holding company	30 June
Barratt Wates (East Grinstead No.2) Limited[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Horley) Limited[2]	78.5%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Lindfield) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Barratt Wates (Worthing) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
BDWZest Developments LLP[1]	50.0%	50.0%	England and Wales	UK	Holding company	31 March*
BDWZest LLP	50.0%	50.0%	England and Wales	UK	Holding company	31 March*
Blackhorse Road Properties LLP[2]	51.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Brooklands Milton Keynes LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
DWH/Wates (Thame) Limited	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Enderby Wharf LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Fulham Wharf LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Fulham Wharf One Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*
Fulham Wharf Two Limited[1]	50.0%	50.0%	England and Wales	UK	Dormant	31 March*
Harrow View LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Infinity Park Derby LLP	50.0%	50.0%	England and Wales	UK	Commercial development	30 June
Nine Elms LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Nine Elms One Limited[1]	50.0%	50.0%	England and Wales	UK	Holds assets on trust	31 March*
Nine Elms Two Limited[1]	50.0%	50.0%	England and Wales	UK	Holds assets on trust	31 March*
Old Sarum Park Properties Limited	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Queensland Road LLP[1]	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
Ravenscraig Limited[2]	33.3%	33.3%	Scotland	UK	Commercial development	31 December*
Ravenscraig Town Centre LLP	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Sovereign BDW (Hutton Close) LLP	50.0%	50.0%	England and Wales	UK	Dormant	30 June
Sovereign BDW (Newbury) LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Wembley Park Properties LLP[2]	51.0%	50.0%	England and Wales	UK	Housebuilding	30 June
Wichelstowe LLP	50.0%	50.0%	England and Wales	UK	Housebuilding	31 March*
ZestBDW LLP	50.0%	50.0%	England and Wales	UK	Holding company	31 March*

* JV prepares Financial Statements which are non-coterminous with the Group in order to comply with the terms of their JV agreements and to align with the year ends and requirements of our JV partners.

Judgements applied in determining the classification of joint arrangements

1. The Group's interests in a number of the entities classified as JVs are held indirectly: Barratt Wates (East Grinstead) No. 2 Limited is a wholly owned subsidiary of the Group's JV, Barratt Wates (East Grinstead) Limited, and is therefore, classified as a JV of the Group. BDWZest Developments LLP, Alie Street LLP, Queensland Road LLP, Fulham Wharf LLP and Nine Elms LLP form a group of limited liability partnerships jointly owned (directly or indirectly) by BDWZest LLP and ZestBDW LLP, both of which are JVs of the Group. Nine Elms One Limited and Nine Elms Two Limited are wholly owned subsidiaries of Nine Elms LLP, and Fulham Wharf One Limited and Fulham Wharf Two Limited are wholly owned subsidiaries of Fulham Wharf LLP. All of these entities are, therefore, classified as JVs of the Group.
2. The Group holds four JV investments (Barratt Wates (Horley) Limited, Barratt Metropolitan LLP, Wembley Park Properties LLP and Blackhorse Road Properties LLP) not in equal share, and one (Ravenscraig Limited) with more than one other party. However, in each case, the Group has equal voting rights and control over the activities of the companies with the other parties. In addition, the Group and the other parties to the agreements only have rights to the net assets of these companies through the terms of the contractual arrangements. These entities are therefore classified as JVs.

12. Investments in jointly controlled entities continued

Registered offices

The registered office of all of the entities in the preceding table, with the exception of those listed below, is: Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF.

Enderby Wharf LLP: Here East, 13 East Bay Lane, 3rd Floor Press Centre, Queen Elizabeth Park, London E15 2GW.

Sovereign BDW (Hutton Close) LLP and Sovereign BDW (Newbury) LLP: Sovereign House, Basing View, Basingstoke RG21 4FA.

Ravenscraig Limited: 15 Atholl Crescent, Edinburgh EH3 8HA.

Summarised financial information relating to these JVs is as follows:

	Harrow View LLP		Blackhorse Road Developments LLP		Barratt Metropolitan LLP		Fulham Wharf LLP		Brooklands Milton Keynes LLP		Other JVs		Group Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Income	**62.2**	71.8	**47.8**	41.1	**104.5**	20.4	**—**	45.4	**60.5**	57.0	**51.9**	38.4	**326.9**	274.1
Adjusted expenditure	**(53.7)**	(58.5)	**(33.4)**	(29.4)	**(91.4)**	(17.0)	**—**	(46.0)	**(38.8)**	(37.5)	**(49.0)**	(31.9)	**(266.3)**	(220.3)
(Cost)/credit associated with legacy properties	**—**	—	**—**	—	**(3.3)**	(1.6)	**(42.3)**	(5.9)	**—**	—	**—**	—	**(45.6)**	(7.5)
Interest payable	**—**	—	**—**	—	**—**	—	**(0.1)**	(0.1)	**—**	—	**(2.7)**	(0.7)	**(2.8)**	(0.8)
	8.5	13.3	**14.4**	11.7	**9.8**	1.8	**(42.4)**	(6.6)	**21.7**	19.5	**0.2**	5.8	**12.2**	45.5
Tax	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**0.1**	—	**0.1**	—
Profit for the year, being total comprehensive income	**8.5**	13.3	**14.4**	11.7	**9.8**	1.8	**(42.4)**	(6.6)	**21.7**	19.5	**0.3**	5.8	**12.3**	45.5
Group share of profit for the year recognised in the Consolidated Income Statement	**4.2**	6.6	**7.3**	6.0	**7.4**	1.3	**(21.2)**	(3.3)	**10.9**	9.8	**0.2**	2.9	**8.8**	23.3
Dividends received from JVs in the year	**3.6**	6.5	**18.6**	—	**—**	—	**—**	—	**11.8**	8.7	**0.8**	1.3	**34.8**	16.5
Current assets	**98.5**	109.6	**3.9**	42.1	**109.7**	136.6	**30.6**	40.5	**15.6**	23.6	**118.0**	83.7	**376.3**	436.1
Non-current assets	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**9.6**	9.7	**9.6**	9.7
Current liabilities	**(11.4)**	(20.7)	**(2.6)**	(6.2)	**(98.7)**	(135.4)	**(45.3)**	(18.3)	**(15.6)**	(21.6)	**(47.5)**	(31.5)	**(221.1)**	(233.7)
Non-current liabilities	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(43.5)**	(45.0)	**(43.5)**	(45.0)
Net assets of JVs	**87.1**	88.9	**1.3**	35.9	**11.0**	1.2	**(14.7)**	22.2	**—**	2.0	**36.6**	16.9	**121.3**	167.1
Cash and cash equivalents included in the above net assets	**10.1**	26.9	**3.5**	15.6	**12.1**	—	**29.3**	0.2	**10.8**	11.2	**29.6**	31.5	**95.4**	85.4
Group share of net assets recognised in the Consolidated Balance Sheet at 30 June	**43.6**	44.5	**0.7**	18.3	**8.2**	0.9	**(7.4)**	11.1	**—**	1.0	**18.2**	8.1	**63.3**	83.9

Adjusted expenditure is the total expenditure of the JV less adjusted items as defined in note 4.

A reconciliation of the Group's share of net assets to the carrying value of investments included in the Balance Sheet is presented below:

	Group	
	2023 £m	2022 £m
Group share of the net assets of its JVs	**63.3**	83.9
Group loans to JVs	**66.5**	94.0
At 30 June	**129.8**	177.9

Notes to the Financial Statements continued
Year ended 30 June 2023

12. Investments in jointly controlled entities continued

The Group has made loans, net of loss allowances, of £66.5m (2022: £94.0m) to its JVs, which are presented within Group investments. The loss allowances for Group loans to JVs are equal to 12-month expected credit losses unless there has been a significant increase in credit risk since the date of initial recognition, in which case, the loss allowance is equal to the lifetime expected credit loss. A significant increase in credit risk is judged to have occurred if a review of available information indicates an increased probability of default. At 30 June 2023, the loss allowance is immaterial (2022: immaterial).

Included within the Group's share of net assets of JVs is a proportion of the loans to the JVs (net of fair value adjustments made in one JV), calculated using the Group's ownership share, of £63.6m (2022: £90.3m).

During the year, the Group entered into a number of transactions with its JVs in respect of funding and development management services (with charges made based on the utilisation of these services) in addition to the provision of construction services. Further details on these transactions are provided in note 30. The Group and Company have a number of contingent liabilities relating to their JVs. Further details on these are provided in note 29.

The transfer of funds from the Group's JVs to the Group is determined by the terms of the JV agreements, which specify how available funds should be applied in repaying loans and capital, and distributing profits to the partners.

13. Jointly controlled operations

Jointly controlled operations

The Group's share of profits and losses from its investments in jointly controlled operations is accounted for on a direct basis and is included in the Income Statement. The Group's share of its investments, assets and liabilities is accounted for on a directly proportional basis in the Group's Balance Sheet.

The Group enters into jointly controlled operations as part of its housebuilding and property development activities. The Company has no jointly controlled operations (2022: none).

The Group has significant interests in the following jointly controlled operation:

Joint operation	Share of profits and assets consolidated	Principal place of business	Principal activity
Chapel Hill	50.0%[1]	UK	Housebuilding

1 Subject to achieving forecast profitability, 50% of profits are attributable to the Group. 50% of assets are consolidated excluding land, land creditors and any part-exchange properties.

The Group's share of the joint operations' income and expenses included in the Consolidated Income Statement during the year, and the assets and liabilities of the joint operations, which are included in the Group Balance Sheet, are shown below:

	Group	
	2023 £m	2022 £m
Group share		
Income	**—**	—
Sundry income/(expenses)	**(0.3)**	0.3
Share of profit from joint operations	**(0.3)**	0.3
Share of profits distributed by joint operations	**—**	(4.7)
Current assets	**10.7**	11.1
Current liabilities	**(0.7)**	(0.8)
Share of net assets of joint operations	**10.0**	10.3

14. Property, plant and equipment

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of the assets on a straight-line basis to their residual value over their estimated useful lives. Residual values and asset lives are reviewed annually.

Freehold properties are depreciated on a straight-line basis over 25 years. Freehold land is not depreciated. Plant is depreciated on a straight-line basis over its expected useful life, which ranges from one to seven years.

Property under construction is carried at cost less any recognised impairment, and no depreciation is charged until the building is complete and ready for its intended use.

	Group			Company		
	Property £m	Plant and equipment £m	Total £m	Property £m	Plant and equipment £m	Total £m
Cost						
At 1 July 2021	5.6	53.3	58.9	0.2	29.5	29.7
Additions	22.7	7.2	29.9	—	1.4	1.4
Acquired on acquisition of subsidiary	1.2	0.1	1.3	—	—	—
Disposals	(0.4)	(6.9)	(7.3)	—	(4.9)	(4.9)
At 30 June 2022	29.1	53.7	82.8	0.2	26.0	26.2
Additions	**8.4**	**14.7**	**23.1**	**—**	**2.6**	**2.6**
Disposals	**—**	**(1.6)**	**(1.6)**	**—**	**—**	**—**
At 30 June 2023	**37.5**	**66.8**	**104.3**	**0.2**	**28.6**	**28.8**
Depreciation						
At 1 July 2021	3.1	35.4	38.5	0.2	17.0	17.2
Charge for the year	0.4	5.8	6.2	—	3.5	3.5
Disposals	(0.1)	(3.0)	(3.1)	—	(1.1)	(1.1)
At 30 June 2022	3.4	38.2	41.6	0.2	19.4	19.6
Charge for the year	**0.4**	**5.7**	**6.1**	**—**	**3.1**	**3.1**
Disposals	**—**	**(1.5)**	**(1.5)**	**—**	**—**	**—**
At 30 June 2023	**3.8**	**42.4**	**46.2**	**0.2**	**22.5**	**22.7**
Net book value						
At 30 June 2022	25.7	15.5	41.2	—	6.6	6.6
At 30 June 2023	**33.7**	**24.4**	**58.1**	**—**	**6.1**	**6.1**

Property cost includes £nil (2022: £21.2m) in respect of a building under construction.

Authorised future capital expenditure that was contracted but not provided for in these Financial Statements amounted to £3.5m (2022: £10.9m).

Notes to the Financial Statements continued
Year ended 30 June 2023

15. Leases

Leases

A right-of-use asset and a lease liability are recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost comprising the initial amount of the lease liability plus payments made before the lease commenced and any direct costs less any incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement of the lease to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset is also reduced for impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments at the commencement date discounted using the Group's incremental borrowing rate of between 0% and 7%, and is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in the future lease payments, and a corresponding adjustment is made to the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of plant and machinery with a lease term of 12 months or less, and leases of low value including leases of office equipment. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group and Company lease assets including land and buildings, vehicles, plant and machinery, and office equipment. Information about leases for which the Group or Company is a lessee is presented below.

	Group			Company		
Right-of-use assets	Land and buildings £m	Other £m	Total £m	Land and buildings £m	Other £m	Total £m
Balance at 1 July 2022	25.1	10.5	35.6	3.1	1.1	4.2
Balance at 30 June 2023	**28.4**	**16.7**	**45.1**	**2.7**	**1.5**	**4.2**
Net additions during the year including remeasurements	**9.7**	**12.1**	**21.8**	**0.3**	**1.0**	**1.3**

	Group		Company	
Lease liabilities included in the Balance Sheet	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Current	**13.1**	10.5	**1.3**	1.1
Non-current	**33.1**	26.6	**2.9**	3.1
	46.2	37.1	**4.2**	4.2

A maturity analysis of the contractual undiscounted cash flows associated with these lease liabilities is presented in note 31.

	Group	
Amounts recognised in the Income Statement	**2023 £m**	2022 £m
Interest on lease liabilities	**1.2**	0.9
Depreciation of right-of-use land and buildings	**6.4**	7.8
Depreciation of other right-of-use assets	**5.9**	5.2
Expenses relating to short-term and low-value leases	**34.5**	32.6

The total Group cash outflow for leases in the current year was £48.4m (Company: £1.3m) (2022: £45.9m (Company £1.1m)), of which £13.9m (Company: £1.3m) (2022: £13.8m (Company: £1.1m)) related to the repayment of lease liabilities recognised in the Balance Sheet.

16. Inventories

Inventories

Inventories are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development, is initially recorded at cost. Where, through deferred purchase credit terms, the carrying value differs from the amount that will ultimately be paid in settling the liability, this difference is charged as a finance cost in the Income Statement over the period of settlement.

Cost of construction work in progress comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Overhead costs include, but are not limited to, roads and other infrastructure costs required for a site and local contributions and physical works contributions required under planning permissions granted for our developments.

Due to the scale of the Group's developments, the Group has to allocate site-wide development costs between homes built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments, there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made. Further information is included in the margin recognition section of note 3.

Work in progress on promotion agreements comprises direct fees and labour costs incurred in investigating, designing, master planning, obtaining planning permission and ultimately securing sales agreements for land on behalf of landowners. The satisfaction of promotion agreements is largely dependent upon the grant of planning consent; therefore, management assesses the likelihood of attaining these consents when assessing their carrying values.

	Group	
	2023 £m	2022 £m
Land held for development	**3,139.9**	3,339.9
Construction work in progress	**1,907.1**	1,837.8
Promotion agreements work in progress	**97.7**	91.1
Part-exchange properties and other inventories	**93.3**	22.8
	5,238.0	5,291.6

The Company has no inventories.

Nature and carrying value of inventories

The Group's principal activities are housebuilding and commercial development. The majority of the development activity is not contracted prior to the development commencing. Accordingly, the Group has in its Balance Sheet at 30 June 2023 current assets that are not covered by a forward sale. The Group's internal controls are designed to identify any developments where the balance sheet value of land and work in progress is more than the projected lower of cost or net realisable value. During the year, the Group has conducted six-monthly reviews of the net realisable value of specific sites identified as at high risk of impairment, based upon a number of criteria including low site profit margins and sites with no forecast completions. Where the estimated net realisable value of a site was less than its current carrying value, the Group has impaired the land and work in progress value.

During the year, due to performance variations, changes in assumptions and changes to viability on individual sites, there were gross impairment charges of £16.7m (2022: £2.0m) and gross impairment reversals of £12.0m (2022: £4.2m), resulting in a net impairment charge of £4.7m (2022: £2.2m reversal) included within profit from operations.

The key estimates in these reviews are those used to estimate the realisable value of a site, which is determined by forecast sales rates, expected sales prices and estimated costs to complete.

The Directors consider all inventories to be essentially current in nature, although the Group's operational cycle is such that a proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventory will be realised, as this will be subject to a number of variables such as consumer demand and planning permission delays.

Inventories include £11.0m (2022: £nil) in respect of properties currently occupied under the refugee support scheme.

Notes to the Financial Statements continued
Year ended 30 June 2023

17. Trade and other receivables

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Amounts recoverable on certain construction contracts where revenue is recognised over time are included in trade receivables and stated at cost plus attributable profit less any foreseeable losses. Payments received on account for these construction contracts are deducted from amounts recoverable on these contracts.

Trade and other receivables are initially recognised at their transaction price, being fair value, and subsequently measured at amortised cost, being their nominal value less a loss allowance for expected credit losses, which are assessed on the basis of an average weighting of the risk of default. Any impairment is recognised immediately in the Income Statement.

For this purpose, a default is determined to have occurred if the Group becomes aware of evidence that it will not receive all contractual cash flows that are due or if payment has not been received within 60 days of the due date. After this time, it is probable that contractual cash flows will not be fully recovered.

The Group does not hold any collateral over these balances.

Trade receivables are receivables and contract assets arising from the Group's contracts with customers. The loss allowance is equal to the lifetime expected credit loss, assessed on an individual basis.

The loss allowances for other receivables and amounts due from subsidiary undertakings are equal to 12-month expected credit losses unless there has been a significant increase in credit risk since the date of initial recognition, in which case the loss allowance is equal to the lifetime expected credit loss. A significant increase in credit risk is judged to have occurred if a review of available information indicates an increased probability of default, or if contractual payments are more than 30 days past due.

Where amounts due from subsidiary undertakings can be satisfied by the subsidiaries through the recovery of a debt from fellow subsidiaries with strong capacity to meet that debt, the amount is considered to have low credit risk at the reporting date and it is therefore assumed that the credit risk has not significantly increased.

Trade and other receivables that are more than two years overdue are deemed to have no reasonable expectation of recovery and are written off in the Financial Statements, but are still subject to enforcement activity. Subsequent recoveries of amounts previously written off are credited to the Income Statement.

		Group		Company	
	Notes	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Non-current assets					
Amounts due from subsidiary undertakings		**—**	—	**76.1**	76.1
Contract assets	21	**0.5**	0.6	**—**	—
Other receivables		**2.4**	5.9	**—**	—
		2.9	6.5	**76.1**	76.1
Current assets					
Trade receivables		**70.7**	107.6	**—**	—
Contract assets	21	**20.8**	12.7	**—**	—
Amounts due from subsidiary undertakings		**—**	—	**2.9**	3.1
Other receivables		**74.0**	97.2	**4.3**	1.7
Prepayments and accrued income		**16.6**	19.5	**8.7**	8.6
		182.1	237.0	**15.9**	13.4

Other receivables include £37.1m (2022: £39.3m) receivable from joint ventures.

17. Trade and other receivables continued

The carrying values of trade and other receivables are stated after allowance for expected credit losses. The movements in the loss allowances for the year were as follows:

		Trade receivables and contract balances		Other receivables	
		Lifetime expected credit losses (individually assessed)		12-month expected credit losses	
Loss allowance	Notes	Group £m	Company £m	Group £m	Company £m
Loss allowance at 1 July 2022		4.9	—	0.2	—
Charge for the year	22	**5.4**	**—**	**0.2**	**—**
Amounts written off		**(0.3)**	**—**	**—**	**—**
Recoveries of amounts previously written off	22	**(1.9)**	**—**	**(0.1)**	**—**
Loss allowance at 30 June 2023		**8.1**	**—**	**0.3**	**—**

Movements in loss allowances are principally a result of the derecognition and origination of financial assets in the year. The loss allowances written off are equal to the gross carrying amounts of the assets written off in the year. The Directors consider that the carrying amount of trade receivables approximates to their fair value.

The expected credit losses on the Company amounts due from subsidiary undertakings are not material to the Financial Statements. The subsidiaries are are able to pay their liabilities as they fall due and the probability of default is insignificant.

Further disclosures relating to financial assets are set out in note 22.

18. Net cash

Net cash is defined as cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees. Net cash at 30 June is shown below:

	Group		Company	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Cash and cash equivalents	**1,269.1**	1,352.7	**1,005.0**	1,045.4
Drawn debt				
Borrowings:				
Sterling US private placement notes	**(200.0)**	(200.0)	**(200.0)**	(200.0)
Bank overdrafts	**(3.4)**	(17.3)	**—**	—
Total borrowings being total drawn debt	**(203.4)**	(217.3)	**(200.0)**	(200.0)
Prepaid fees	**3.7**	3.2	**3.7**	3.2
Net cash	**1,069.4**	1,138.6	**808.7**	848.6
Total borrowings at 30 June are analysed as:				
Non-current borrowings	**(200.0)**	(200.0)	**(200.0)**	(200.0)
Current borrowings	**(3.4)**	(17.3)	**—**	—
Total borrowings being total drawn debt	**(203.4)**	(217.3)	**(200.0)**	(200.0)

Notes to the Financial Statements continued
Year ended 30 June 2023

18. Net cash continued

Movement in net cash is analysed as follows:

	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Net decrease in cash and cash equivalents	**(83.6)**	(165.9)	**(40.4)**	(273.6)
(Drawdown)/repayment of borrowings:				
Loans and borrowings drawdowns	**(3.4)**	(17.3)	**—**	—
Loans and borrowings repayments	**17.3**	5.3	**—**	—
Other movements in borrowings:				
Movement in prepaid fees	**0.5**	(0.9)	**0.5**	(0.9)
Movement in net cash in the year	**(69.2)**	(178.8)	**(39.9)**	(274.5)
Opening net cash	**1,138.6**	1,317.4	**848.6**	1,123.1
Closing net cash	**1,069.4**	1,138.6	**808.7**	848.6

Changes in liabilities arising from financing activities are shown below:

	Group Total borrowings £m	Group Lease liabilities £m	Group Total £m	Company Total borrowings £m	Company Lease liabilities £m	Company Total £m
Liabilities from financing activities at 1 July 2021	(205.3)	(40.7)	(246.0)	(200.0)	(4.5)	(204.5)
Financing cash flows	5.3	13.8	1.8	—	1.1	1.1
Other movements	—	(10.2)	(10.2)	—	(0.8)	(0.8)
Liabilities arising from financing activities at 30 June 2022	(200.0)	(37.1)	(254.4)	(200.0)	(4.2)	(204.2)
Financing cash flows	**—**	**13.9**	**27.8**	**—**	**1.3**	**1.3**
Other movements	**—**	**(23.0)**	**(23.0)**	**—**	**(1.3)**	**(1.3)**
Liabilities arising from financing activities at 30 June 2023	**(200.0)**	**(46.2)**	**(249.6)**	**(200.0)**	**(4.2)**	**(204.2)**

Cash and cash equivalents

Cash and cash equivalents are held at floating interest rates linked to the UK bank rate and money market rates as applicable. Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less from inception and are subject to an insignificant risk of changes in value.

Cash, cash equivalents and bank overdrafts, as presented in the Cash Flow Statement, are analysed as follows:

	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Cash and cash equivalents	**1,269.1**	1,352.7	**1,005.0**	1,045.4
Bank overdrafts included in loans and borrowings	**(3.4)**	(17.3)	**—**	—
Cash, cash equivalents and bank overdrafts	**1,265.7**	1,335.4	**1,005.0**	1,045.4

Further disclosures relating to financial assets are set out in note 22.

18. Net cash continued

Borrowings and facilities

Loans and borrowings

Interest-bearing loans and overdrafts are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost, being the amount recorded at recognition plus accrued interest applied to the account less any repayments made.

All debt facilities at 30 June 2023 are unsecured.

The principal features of the Group's committed debt facilities at 30 June 2023 and 30 June 2022 were as follows:

	Facility	Amount drawn 30 June 2023	Amount drawn 30 June 2022	Maturity
Committed facilities:				
RCF	£700.0m	**—**	—	18 November 2027
Fixed rate Sterling USPP notes	£200.0m	**£200.0m**	£200.0m	22 August 2027

The Group also uses various bank overdrafts and uncommitted borrowing facilities that are subject to floating interest rates linked to SONIA and money market rates as applicable.

Weighted average interest rates are disclosed in note 6.

19. Trade and other payables

Trade and other payables

Trade and other payables are not interest bearing and are initially recorded at fair value. Subsequent measurement is at amortised cost.

Trade and other payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the "effective interest rate" method.

	Notes	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Non-current liabilities					
Land payables		**185.2**	235.4	**—**	—
Other payables		**3.5**	5.1	**—**	—
		188.7	240.5	**—**	—
Current liabilities					
Trade payables		**310.3**	324.0	**1.1**	4.8
Land payables		**321.5**	498.2	**—**	—
Contract liabilities	21	**89.2**	124.3	**—**	—
Amounts due to subsidiary undertakings		**—**	—	**354.2**	323.5
Accruals		**381.3**	428.8	**28.6**	28.2
Other tax and social security		**17.0**	24.8	**—**	—
Other payables		**8.1**	14.3	**—**	0.5
		1,127.4	1,414.4	**383.9**	357.0

The carrying amount of trade payables approximates to their fair value.

Accruals include a social security accrual relating to share-based payments (note 27). Other payables classified as non-current liabilities at 30 June 2023 include amounts accrued for payment of the CITB levy and other sundry accruals.

The Group has £244.4m (2022: £365.2m) of payables secured by legal charges on land and buildings included within inventories and £nil (2022: £3.1m) supported by promissory notes. Other non-current payables are unsecured and non-interest bearing.

Further disclosures relating to financial liabilities are set out in note 22.

Notes to the Financial Statements continued
Year ended 30 June 2023

20. Provisions

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

	Group			
	Costs in relation to completed developments £m	Legacy properties — EWS and associated review £m	Legacy properties — reinforced concrete frames £m	Total £m
At 1 July 2022	145.5	434.6	44.9	625.0
Additions to provisions in the year	**75.4**	**213.4**	**48.6**	**337.4**
Sites reclassified to completed developments	**22.5**	**—**	**—**	**22.5**
Releases	**(17.3)**	**(41.1)**	**(3.8)**	**(62.2)**
Revaluation	**—**	**(51.9)**	**(7.0)**	**(58.9)**
Imputed interest	**—**	**7.5**	**—**	**7.5**
Utilisation in the year	**(50.0)**	**(26.6)**	**(6.3)**	**(82.9)**
At 30 June 2023	**176.1**	**535.9**	**76.4**	**788.4**

	Group	
	2023 £m	2022 £m
Current	**310.5**	265.4
Non-current	**477.9**	359.6
	788.4	625.0

The Company had no provisions in either year.

Costs in relation to completed developments

Following the legal completion and handover to customers of all units on a site, the Group may retain obligations which are not settled for a number of years. These include costs in relation to the adoption of roads or public open space by local authorities, other contractual obligations to third parties and, in certain cases, the costs of remedial works where defects have been identified.

Whilst a proportion of this cost will not be realised within 12 months, the Group has an obligation to complete the works immediately should it be requested to do so. The balance in total is therefore considered to be current in nature. All outstanding issues on completed developments are resolved as soon as is practicable.

Costs associated with legacy properties

External wall systems and associated review

On 13 March 2023, the Group signed the Self-Remediation Terms and Contract, codifying the commitments previously made under the Building Safety Pledge to undertake or to fund remediation or mitigation works on external wall systems (EWS) on all buildings of 11 metres or above in England and Wales that it has developed or refurbished in the 30 years preceding the date of the Building Safety Pledge, and to reimburse the Government's Building Safety fund wherever they have contributed to such activities. The Group has provided for the cost of fulfilling this commitment, as well as assisting with remedial work identified at a limited number of other legacy properties where it has a legal liability to do so, where relevant build issues have been identified, or it is considered probable that such build issues exist.

The Group is undertaking a review of all of its current and legacy buildings where it has used EWS or cladding solutions and continues to assess the action required in line with the latest updates to Government guidance, as it applies, to multi-storey and multi-occupied residential buildings. All our buildings, including those incorporating EWS or cladding solutions, were signed off by approved inspectors as compliant with the relevant Building Regulations at the time of completion.

20. Provisions continued

Costs in relation to completed developments continued

Costs associated with legacy properties continued

External wall systems and associated review

	June 2022	Identified for review	Review confirmed no remediation, or remediation completed	June 2023
Under review:				
Buildings above 18 metres	140	35	(7)	**168**
Buildings between 11 and 18 metres	83	30	(3)	**110**
Total buildings	223	65	(10)	**278**
Developments	69	22	(2)	**89**

This is a complex area requiring significant estimates with respect to the estimates for the number of buildings affected, the individual remediation requirements of each building and the costs associated with that remediation (see also note 29). During the year, following the identification of further buildings requiring remediation and the receipt of more detailed cost estimates on buildings for which a full assessment of the work required has been completed, an additional £213.4m has been provided for the remediation of external wall systems. For buildings on which a detailed cost assessment has yet to be performed, this assumes an updated cost per plot of c. £23,000 (2022: c. £21,000), plus an estimate of future cost price inflation over the expected period until the remediation is completed. The new buildings came into scope during the year because buildings which held valid EWS1 certificates at 30 June 2022 were found to require remediation, or because of new contact from, or information supplied by, building owners. All building owners were contacted again following the signing of the Self-Remediation Terms on 13 March 2023, which led to an increase in contact from building owners during the year. An additional contingency was also allowed to reflect further buildings being identified as within the scope of the Self-Remediation Terms and Contract and for unforeseen remediation costs beyond management's current knowledge. Provisions of £41.1m (2022: £12.8m) were released in respect of buildings that were found to either require less remediation than expected or for which no remediation is required.

It has been assumed that the majority of the work will be completed over the next five years. This depends on a number of factors including timely engagement by building owners and remediation work being completed in line with our estimated timings. Accordingly, the provision has been discounted to its present value at the reporting date, resulting in a credit to cost of sales of £51.9m (2022: £nil) due to an increase in the discount rate in the period from 1.9% to 4.7% driven by higher gilt rates at the year end.

The investigation of the works required at many of the buildings is at an early stage and therefore it is possible that these estimates will change over time or if government legislation and regulation further evolves. In relation to the Scottish Safer Buildings Accord, signed on 31 May 2023, the external wall provision is recorded on the basis that the standard of remediation required in Scotland is consistent with England and Wales. This will be confirmed when the final contract with the Scottish government is signed.

The estimates are based on key assumptions that will be updated as work and time progresses. The sensitivity of the provision held at the balance sheet date to the following possible movements in key assumptions is shown below, assuming that the contingency is not utilised:

Sensitivity	**Increase/(decrease) in provisions at 30 June 2023 £m**
10% increase in estimated cost per plot	26.2
10% increase in the number of buildings on which a detailed cost assessment has yet to be performed	21.8
100 bps increase in discount rate	(13.1)

Reinforced concrete frames

As announced in July 2020, we took the decision to pay for required remedial action on the reinforced concrete frame at the Citiscape development in Croydon and undertook an associated review of 27 other developments designed by the same engineering firm or its associated companies. This review is substantially complete and remediation work is ongoing. During the period, a net additional £37.2m was recognised in respect of increases in the estimated remediation costs on certain properties under this review, including £18.6m incurred on one development on which remediation plans have now been finalised. The estimates are based on key assumptions that will be updated as work and time progresses.

It is now anticipated that remediation on these buildings will extend beyond one year from the balance sheet date. Accordingly, the provision has been discounted to its present value using a rate of 4.7%, consistent with the EWS provision.

Notes to the Financial Statements continued
Year ended 30 June 2023

20. Provisions continued

Costs associated with legacy properties continued

Reinforced concrete frames continued

In addition to this review, structural issues have been separately found at two developments where reinforced concrete frames were designed for us by a different engineering firm to that employed at Citiscape. The full extent of the remediation work required is not yet known, however, £7.6m has been provided at the balance sheet date. The buildings affected are still being assessed and therefore this provision may need to be increased in future periods (see note 29)

Management have made estimates as to the future costs, extent of the remedial works required and the costs of providing alternative accommodation to any residents affected by the remedial works. The Financial Statements have been prepared based on currently available information, including known costs and quotations where possible. However, the extent, cost and timing of remedial work may change as work progresses.

21. Contract assets and liabilities

Contract assets relate to amounts due from customers primarily for construction work completed but not invoiced at the balance sheet date in relation to contracts where revenue is recognised over time. These amounts are included in trade and other receivables. The Group has taken advantage of the practical expedient in paragraph 94 of IFRS 15 to immediately expense the incremental costs of obtaining contracts where the amortisation period of the assets would have been one year or less.

Contract liabilities relate to payments received from the customer on the contract, and/or amounts invoiced to the customer in advance of the Group performing its obligations on contracts where revenue is recognised either over time or at a point in time. These amounts are included within trade and other payables.

Significant changes in contract assets and liabilities are as follows:

	Contracts on which revenue is recognised over time		Contracts on which revenue is recognised at a point in time	
	2023 £m	2022 £m	**2023 £m**	2022 £m
At 1 July:				
Amounts included within trade and other payables	**(4.2)**	(6.6)	**(120.1)**	(130.9)
Amounts included within trade and other receivables	**13.3**	0.9	**—**	—
	9.1	(5.7)	**(120.1)**	(130.9)
Movements in the year:				
Performance obligations satisfied in the year	**192.7**	75.0	**5,128.7**	5,192.9
Amounts invoiced in the year	**(190.1)**	(60.2)	**(5,008.6)**	(5,062.0)
Cash received for performance obligations not yet satisfied	**—**	—	**(79.6)**	(120.1)
At 30 June	**11.7**	9.1	**(79.6)**	(120.1)
Analysed as:				
Amounts included within trade and other payables	**(9.6)**	(4.2)	**(79.6)**	(120.1)
Amounts included within trade and other receivables	**21.3**	13.3	**—**	—

Further revenue of £104.3m (2022: £118.8m) is expected to be recognised in future years in respect of contracts on which revenue is recognised over time, of which 86.8% (2022: 16.9%) is expected to be recognised within 12 months of the balance sheet date.

The Company had no contract assets or liabilities in either year.

22. Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the Balance Sheet in accordance with IFRS 9 when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group derecognises a financial liability only when the Group's obligations are discharged or cancelled or they expire.

22. Financial instruments continued

Classification and measurement

All non-derivative financial assets are classified in accordance with IFRS 9 as "subsequently measured at amortised cost".

All non-derivative financial liabilities are classified as "subsequently measured at amortised cost".

Financial assets and liabilities subsequently measured at amortised cost are initially recognised at fair value determined based on discounted cash flow analysis using current market rates for similar instruments. They are subsequently measured at amortised cost using the "effective interest rate" method. Financial assets are also measured after recognition of any impairment, which is included within administrative expenses in the Income Statement.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Impairment

A loss allowance is recognised for expected credit losses on financial assets as described in note 17. Any impairment is recognised immediately in the Income Statement.

Financial assets

The carrying values and fair values of the Group and Company financial assets are as follows:

		Group				Company			
		2023		2022		**2023**		2022	
	Notes	**Fair value £m**	**Carrying value £m**	Fair value £m	Carrying value £m	**Fair value £m**	**Carrying value £m**	Fair value £m	Carrying value £m
Cash and cash equivalents	18	**1,269.1**	**1,269.1**	1,352.7	1,352.7	**1,005.0**	**1,005.0**	1,045.4	1,045.4
Measured at amortised cost:									
Trade and other receivables[1]		**118.7**	**118.7**	168.1	168.1	**2.7**	**2.7**	—	—
Intercompany receivables	17	**—**	**—**	—	—	**79.0**	**79.0**	79.2	79.2
Total financial assets		**1,387.8**	**1,387.8**	1,520.8	1,520.8	**1,086.7**	**1,086.7**	1,124.6	1,124.6

1 Excludes amounts recoverable on contracts, prepayments and accrued income, and tax and social security.

Financial liabilities

The carrying values and fair values of the Group and Company financial liabilities are as follows:

		Group				Company			
		2023		2022		**2023**		2022	
	Notes	**Fair value £m**	**Carrying value £m**	Fair value £m	Carrying value £m	**Fair value £m**	**Carrying value £m**	Fair value £m	Carrying value £m
Measured at amortised cost:									
Bank overdrafts	18	**3.4**	**3.4**	17.3	17.3	**—**	**—**	—	—
Loans and borrowings	18	**170.7**	**200.0**	187.6	200.0	**170.7**	**200.0**	187.6	200.0
Trade and other payables[1]		**1,086.6**	**1,119.5**	1,380.4	1,387.9	**18.1**	**18.1**	16.7	16.7
Intercompany payables	19	**—**	**—**	—	—	**354.2**	**354.2**	323.5	323.5
Lease liabilities	15	**46.2**	**46.2**	37.1	37.1	**4.2**	**4.2**	4.2	4.2
Total financial liabilities		**1,306.9**	**1,369.1**	1,622.4	1,642.3	**547.2**	**576.5**	532.0	544.4

1 Excludes deferred income, payments received in excess of amounts recoverable on contracts, tax and social security and other non-financial liabilities.

The fair values of liabilities in the above table have been determined using discounted cash flows based on observable market data other than quoted prices in active markets for identical liabilities.

Trade and other payables include items secured by legal charges as disclosed in note 19.

Notes to the Financial Statements continued
Year ended 30 June 2023

22. Financial instruments continued

Financial instruments gains and losses

The net (gains)/losses recorded in the Consolidated Income Statement, in respect of financial instruments (excluding interest shown in note 6), were as follows:

	Notes	2023 £m	2022 £m
Financial assets measured at amortised cost			
Trade receivables — loss allowance charge	17	**5.6**	1.8
Recoveries of amounts previously written off	17	**(2.0)**	(2.9)

23. Share capital

Equity instruments

Ordinary share capital is recorded at the proceeds received, net of direct issue costs and is classified as equity.

Ordinary share capital

Allotted and issued ordinary shares	2023 £m	2022 £m
10p each fully paid: 974,584,613 (2022: 1,022,562,819) ordinary shares	**97.4**	102.2

Options over the Company's shares granted during the year	2023 Number	2022 Number
LTPP	**4,028,187**	2,774,294
Sharesave	**6,637,568**	4,117,231
DBP	**920,887**	674,051
ELTIP	**1,792,966**	1,080,733
	13,379,608	8,646,309

Cancellation/allotment of shares during the year	2023 Number	2022 Number
At 1 July	**1,022,562,819**	1,018,331,741
Buyback and cancellation of shares in the year	**(47,985,293)**	—
Issued to the EBT to satisfy the vesting of awards	**—**	2,386,199
Issued to satisfy exercises under Sharesave schemes	**7,087**	1,844,879
At 30 June	**974,584,613**	1,022,562,819

24. Merger reserve

The merger reserve comprises the non-statutory premium arising on shares issued as consideration for the acquisition of subsidiaries where merger relief under Section 612 of the Companies Act 2006 applies.

25. Capital redemption reserve

During the year the Company purchased 47,985,293 (2022: none) of its own shares in the market which have been cancelled. The nominal value of these shares has been transferred to the capital redemption reserve.

	2023 £m	2022 £m
As at 1 July	**—**	—
Amounts transferred in respect of own shares purchased and cancelled during the year	**4.8**	—
At 30 June	**4.8**	—

26. Own shares reserve

The own shares reserve represents the cost of shares in Barratt Developments PLC purchased in the market or issued by the Company and held by the EBT on behalf of the Company in order to satisfy options and awards that have been granted by the Company.

The EBT has agreed to waive all, or any future right to dividend payments on shares held within the EBT and these shares do not count in the calculation of the weighted average number of shares used to calculate EPS until such time as they are vested to the relevant employee.

	2023	2022
Ordinary shares in the Company held in the EBT (number)	**4,998,602**	5,320,168
Cost of shares held in the EBT (£m)	**23.2**	27.0
Market value of shares held in the EBT at 413.5p (2022: 457.4p) per share (£m)	**20.7**	24.3

During the year, the EBT purchased 2,951,352 shares (2022: 4,989,573) in the market and no shares (2022: 2,386,199) were issued to the EBT. The EBT disposed of 3,254,817 (2022: 3,355,729) shares which were used to satisfy the vesting of ELTIP, LTPP and DBP awards. A further 18,101 shares were used in the year in settlement of exercises under Sharesave schemes (2022: none).

27. Share-based payments

The Group issues equity-settled share-based payments to certain employees.

Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instrument at the date of grant. Fair value is measured either using Black Scholes or Monte Carlo models depending on the characteristics of the scheme. Valuations have also been adjusted for any post-vesting holding period with the adjustment calculated using a Finnerty and Chaffe model.

The fair value is expensed in the Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest where non-market vesting conditions apply. Non-vesting conditions are taken into account in the estimate of the fair value of the equity instruments.

Analysis of the Consolidated Income Statement charge:

	2023 £m	2022 £m
Equity-settled share-based payments:		
LTPP	**(2.2)**	13.0
Sharesave	**3.6**	2.4
DBP	**2.7**	2.6
ELTIP	**6.1**	6.2
	10.2	24.2

As at 30 June 2023, an accrual of £2.7m (2022: £4.0m) was recognised in respect of social security liabilities on share-based payments.

Share-based payments reserve

The share-based payments reserve represents the obligation of the Group in relation to equity-settled share-based payment transactions. Details of movements in the share-based payments reserve are shown on the Statement of Changes in Shareholders' Equity.

Notes to the Financial Statements continued
Year ended 30 June 2023

27. Share-based payments continued

Outstanding equity-settled share-based payments

At 30 June 2023, the following options were outstanding:

Date of grant	Option price pence	2023 number	Not exercisable after
Sharesave			
20 April 2018 — 5-year plan	449	**116,675**	31 December 2023
9 April 2019 — 3-year plan	519	**1,386**	1 October 2023
9 April 2019 — 5-year plan	519	**87,380**	31 December 2024
7 April 2020 — 3-year plan	456	**1,460,790**	31 December 2023
7 April 2020 — 5-year plan	456	**206,649**	31 December 2025
7 April 2021 — 3-year plan	604	**598,953**	31 December 2024
7 April 2021 — 5-year plan	604	**68,971**	31 December 2026
6 April 2022 — 3-year plan	436	**1,927,638**	31 December 2025
6 April 2022 — 5-year plan	436	**293,108**	31 December 2027
12 April 2023 — 3-year plan	347	**5,075,614**	31 December 2026
12 April 2023 — 5-year plan	347	**1,485,104**	31 December 2028
Total Sharesave options		**11,322,268**	
LTPP			
30 November 2020 — Executive	—	**1,337,942**	—
18 February 2021 and 21 April 2021 — Executive	—	**45,392**	—
14 October 2021 — Executive	—	**1,049,279**	—
14 February 2022 — Executive	—	**117,716**	—
14 February 2022 — Executive	—	**67,681**	—
12 October 2022 — Executive	—	**1,811,729**	—
30 November 2020 — Senior management	—	**1,317,068**	—
14 October 2021 — Senior management	—	**1,135,755**	—
12 October 2022 — Senior management	—	**2,065,031**	—
Total LTPP awards		**8,947,593**	
DBP			
24 September 2021	—	**637,949**	—
12 October 2022	—	**890,457**	—
Total DBP awards		**1,528,406**	
ELTIP			
15 July 2021	—	**812,666**	—
15 July 2022	—	**1,561,277**	—
Total ELTIP awards	—	**2,373,943**	—
Total	—	**24,172,210**	—

27. Share-based payments continued

Further information relating to the share-based payment schemes

Sharesave

Under the Sharesave, participants are required to make monthly contributions to an HMRC approved savings contract with a bank or building society for a period of three or five years. On entering into the savings contract, participants are granted an option to acquire ordinary shares in the Company at an exercise price determined under the rules of the Sharesave. The Sharesave is open to all eligible employees as determined by the Board and is not subject to the satisfaction of any performance conditions.

LTPP

The grant of awards under the LTPP is at the discretion of the Remuneration Committee taking into account individual performance and overall performance of the Group. Vesting under this scheme is dependent upon performance conditions including TSR, EPS and ROCE. Further details can be found in the Remuneration Report on pages 157 and 158.

DBP

Deferred shares are held in accordance with the DBP as approved by the shareholders at the 2015 AGM. The DBP is currently utilised to hold shares awarded in respect of any bonus earned in excess of 100% of base salary. Further details can be found on page 161.

ELTIP

The Board approved the 2022 Award in July 2022 and the 2021 Award in July 2021 under the ELTIP. The Awards were made to all eligible employees employed as at 15 July 2022 and 15 July 2021 respectively. Participants will be entitled to receive shares in the Company when the 2021 Award vests on 1 July 2023, and participants of the 2022 Award will be entitled to receive shares in the Company when the Award vests on 1 July 2024. Senior management is not eligible to participate in the ELTIP. The Awards are not subject to the satisfaction of any performance condition other than that participants remain employed by the Group and have not resigned before the end of the vesting period.

Number and weighted average exercise price of outstanding share-based payments

The number and weighted average exercise prices of options and awards made under the Group's share option schemes were as follows:

	2023		2022	
LTPP	**Weighted average exercise price in pence**	**Number of award units**	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	**—**	**7,823,199**	—	8,087,663
Forfeited during the year	**—**	**(1,161,682)**	—	(1,277,018)
Reinstated	**—**	**8,989**	—	—
Exercised during the year	**—**	**(1,751,100)**	—	(1,761,740)
Granted during the year	**—**	**4,028,187**	—	2,774,294
Outstanding at 30 June	**—**	**8,947,593**	—	7,823,199
Exercisable at 30 June	**—**	**—**	—	—

	2023		2022	
Sharesave	**Weighted average exercise price in pence**	**Number of award units**	Weighted average exercise price in pence	Number of award units
Outstanding at 1 July	**474**	**8,945,381**	499	8,217,072
Forfeited during the year	**532**	**(4,235,493)**	533	(1,544,043)
Exercised during the year	**461**	**(25,188)**	451	(1,844,879)
Granted during the year	**347**	**6,637,568**	436	4,117,231
Outstanding at 30 June	**398**	**11,322,268**	474	8,945,381
Exercisable at 30 June	**—**	**—**	—	—

Notes to the Financial Statements continued
Year ended 30 June 2023

27. Share-based payments continued

Number and weighted average exercise price of outstanding share-based payments continued

DBP	2023 Weighted average exercise price in pence	2023 Number of award units	2022 Weighted average exercise price in pence	2022 Number of award units
Outstanding at 1 July	—	1,225,640	—	1,168,788
Forfeited during the year	—	(25,123)	—	(12,186)
Exercised during the year	—	(592,998)	—	(605,013)
Granted during the year	—	920,887	—	674,051
Outstanding at 30 June	—	1,528,406	—	1,225,640
Exercisable at 30 June	—	—	—	—

ELTIP	2023 Weighted average exercise price in pence	2023 Number of award units	2022 Weighted average exercise price in pence	2022 Number of award units
Outstanding at 1 July	—	1,879,686	—	2,149,584
Forfeited during the year	—	(387,990)	—	(361,655)
Exercised during the year	—	(910,719)	—	(988,976)
Granted during the year	—	1,792,966	—	1,080,733
Outstanding at 30 June	—	2,373,943	—	1,879,686
Exercisable at 30 June	—	—	—	182

The weighted average share price, at the date of exercise, of share options exercised during the year was 368.8p (2022: 674.4p). The weighted average life for all schemes outstanding at the end of the year was 2.1 years (2022: 1.9 years).

Fair value of options and awards granted in the year

Weighted average fair value of options granted

	Valuation model	Weighted average fair value of options granted 2023 pence	2022 pence
Sharesave	Black Scholes model	132.9	94.7
LTPP	Black Scholes and Monte Carlo models[1]	260.7	683.0
DBP	Black Scholes model	324.1	681.0
ELTIP	Black Scholes model	399.7	634.0

1 The TSR portion of the award is valued using a Monte Carlo model. Other elements of the award are valued using a Black Scholes model. The valuations have also been adjusted for any post-vesting holding period with the adjustment calculated using a Finnerty and Chaffe model.

Inputs used to determine fair value of options

The weighted average inputs to the valuation models were as follows:

	Grants 2023 ELTIP	Grants 2023 Sharesave	Grants 2023 LTPP	Grants 2023 DBP	Grants 2022 ELTIP	Grants 2022 Sharesave	Grants 2022 LTPP	Grants 2022 DBP
Average share price	471p	467p	325p	325p	690p	520p	683p	682p
Average exercise price	—	347p	—	—	—	436p	—	—
Expected volatility	37.3%	37.6%	44.8%	38.2%	37.7%	36.6%	36.2%	37.7%
Expected life	2.0 years	3.5 years	3.0 years	3.0 years	2.0 years	3.3 years	3.0 years	3.0 years
Risk-free interest rate	4.14%	3.28%	4.17%	4.35%	0.50%	1.40%	0.58%	0.65%
Expected dividends	8.2%	5.9%	—	—	4.2%	8.4%	—	—

Expected volatility was determined by reference to the historical volatility of the Group's share price over a period consistent with the expected life of the options. The expected life used in the models has been adjusted, based on the Directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

28. Non-controlling interests

Movement in non-controlling interest share of net assets recognised in the Consolidated Balance Sheet	Group 2023 £m	Group 2022 £m
At 1 July	0.8	1.1
Distribution of profits to non-controlling partner	(0.3)	(0.4)
Share of profit for the year recognised in the Consolidated Income Statement	—	0.1
At 30 June	0.5	0.8

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities. Detailed arrangements for each subsidiary are laid out in the relevant shareholder and partnership agreements.

29. Contingent liabilities

Contingent liabilities related to subsidiaries

The Company has guaranteed certain bank borrowings of its subsidiary undertakings.

Certain subsidiary undertakings have commitments for the purchase of trading stock entered into in the normal course of business.

In the normal course of business, the Group has given counter-indemnities in respect of performance bonds and financial guarantees. Management estimates that the bonds and guarantees amount to £412.7m (2022: £420.7m) and confirms that, at the date of these Financial Statements, the possibility of cash outflow is considered minimal and no provision is required.

External wall systems and associated review

As disclosed in note 20, on 13 March 2023, the Group signed the Self-Remediation Terms and Contract, codifying the commitments previously made under the Building Safety Pledge. The Group is currently undertaking a review of all of its current and legacy buildings where it has used EWS or cladding solutions. Approved inspectors signed off all of our buildings, including the EWS or cladding used, as compliant with the relevant building regulations at the time of completion.

At 30 June 2023, the Group held provisions of £535.9m (2022: £434.6m) in relation to EWS and associated reviews, based on management's best estimate of the cost and timing of remediation of in-scope buildings. It is possible that as remediation work proceeds, additional remedial works are required which do not relate to EWS or cladding solutions. Such works may not have been identified from the reviews and physical inspections undertaken to date and may only be identified when detailed remediation work is in progress. Therefore, the nature, timing and extent of any such costs was unknown at the balance sheet date.

It is also possible that the number of buildings requiring remediation may increase. This could occur because buildings which hold valid EWS1 certificates are found to require remediation or because investigatory works identify remediation not previously identified.

In addition, we recognise that the retrospective review of building materials and fire-safety matters continues to evolve. The Financial Statements have been prepared based on currently available information and regulatory guidance. However, these estimates may be updated if government legislation and regulation further evolves.

On 31 May 2023 the Group signed the Scottish Safer Buildings Accord, committing to resolve life critical fire safety defects in multi-occupancy residential domestic or part-domestic buildings, over 11 metres, built by us as a developer in the period of 30 years to 1 June 2022. This Accord is not legally binding, but we are committed to working in good faith with the Scottish Government to agree a legal form contract. The Group is already undertaking remedial work at all multi-occupancy buildings over 11 metres in Scotland at which fire safety defects have been identified and the Group's EWS provision at 30 June 2023 includes the estimated cost of this work. These estimates are based on the assumption that the standard of remediation required in Scotland is consistent with that in England and Wales and therefore depend on the final form of the contract agreed with the Scottish Government.

Reinforced concrete frames

As disclosed in note 20, following the issues identified at Citiscape, the Group is conducting a review of developments designed by the same engineering firm or its associated companies. The Financial Statements have been prepared based on currently available information; however, the detailed review is ongoing and the extent and cost of any remedial work may change as this work progresses.

Separately, during the year structural issues have been found at two developments where reinforced concrete frames were designed for us by a particular engineering firm. Investigatory work is proceeding to identify the remediation works required and associated cost. It is possible that further costs or additional buildings are identified as part of this review, the nature, timing and extent of which were unknown at the balance sheet date.

Notes to the Financial Statements continued
Year ended 30 June 2023

29. Contingent liabilities continued

Contingent liabilities related to JVs

The Group has given counter-indemnities in respect of performance bonds and financial guarantees to its JVs totalling £9.5m at 30 June 2023 (2022: £2.2m).

The Group has also given a number of performance guarantees in respect of the obligations of its JVs, requiring the Group to complete development agreement contractual obligations in the event that the JVs do not perform as required under the terms of the related contracts. At 30 June 2023, the probability of any loss to the Group resulting from these guarantees is considered to be remote.

Contingent liabilities related to legal claims

Provision is made for the Directors' best estimates of all known material legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made (other than for legal costs) where the Directors consider, based on such advice, that claims or actions are unlikely to succeed, or a sufficiently reliable estimate of the potential obligations cannot be made.

30. Related party transactions

Directors of Barratt Developments PLC and remuneration of key personnel

The Board and certain members of senior management are related parties within the definition of IAS 24 (Revised): 'Related Party Disclosures' and the Board members are related parties within the definition of Chapter 11 of the UK Listing Rules. There is no difference between transactions with key personnel of the Company and transactions with key personnel of the Group.

Disclosures related to the remuneration of key personnel as defined in IAS 24 are given in note 5.

There have been no related party transactions as defined in Listing Rule 11.1.5R for the year ended 30 June 2023.

Transactions between the Company and its subsidiaries and a former JV

The Company has entered into transactions with its subsidiary undertakings in respect of funding and Group services which include management accounting and audit, sales and marketing, IT, company secretarial, architects and purchasing. Recharges are made to the subsidiaries based on their utilisation of these services.

	Company	
	2023 £m	2022 £m
Transactions between the Company and its subsidiaries and former JV during the year:		
Charges in respect of management and other services provided to subsidiaries	**142.7**	146.5
Net interest paid by the Company on net loans from subsidiaries	**18.4**	24.5
Dividends received from subsidiary undertakings	**500.0**	517.4
Distribution received from a former JV of the Company[1]	**0.1**	—
Balances at 30 June:		
Amounts due by the Company to subsidiary undertakings	**354.2**	323.5
Amounts due to the Company from subsidiary undertakings	**79.0**	79.2

1 The Company's only JV, Rose Shared Equity LLP, was wound up during the year. Prior to this, it made a final distribution to its members.

The Company and its subsidiaries have entered into counter-indemnities in the normal course of business in respect of performance bonds.

Transactions between the Group and its JVs

The Group has entered into transactions with its JVs as follows:

	Group	
	2023 £m	2022 £m
Transactions between the Group and its JVs during the year:		
Charges in respect of development management and other services provided to JVs	**8.4**	9.2
Interest charges in respect of funding provided to JVs	**1.6**	0.5
Dividends received from JVs	**34.8**	16.5
Balances at 30 June:		
Funding loans and interest due from JVs net of impairment	**66.5**	94.0
Other amounts due from JVs	**37.1**	39.3
Loans and other amounts due to JVs	**(0.5)**	(1.3)

In addition, one of the Group's subsidiaries, BDW Trading Limited, contracts with a number of the Group's JVs to provide construction services. The Group's contingent liabilities relating to its JVs are disclosed in note 29.

31. Financial risk management

The Group's approach to risk management and the principal operational risks of the business are detailed on pages 71 to 77. The Group's financial assets and financial liabilities are detailed in note 22.

The Group's operations and financing arrangements expose it to a variety of financial risks, of which the most material are: liquidity risk, the availability of funding at reasonable margins, credit risk and interest rates. There is a regular, detailed system for the reporting and forecasting of cash flows from operations to senior management including Executive Directors to ensure that liquidity risks are promptly identified and appropriate mitigating actions are taken by the Treasury department. These forecasts are further stress-tested at a Group level on a regular basis to ensure that adequate headroom within facilities and banking covenants is maintained. In addition, the Group has a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance.

The Board approves treasury policies and certain day-to-day treasury activities have been delegated to a centralised Treasury Operating Committee, which in turn regularly reports to the Board. The Treasury department implements guidelines that are established by the Board and the Treasury Operating Committee.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities as they fall due. The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations.

The Group's borrowings are typically cyclical throughout the financial year and peak in April to May, and October to November of each year, due to seasonal trends in income. Accordingly, the Group maintains sufficient facility headroom to cover these requirements. On a normal operating basis, the Group has a policy of maintaining a minimum headroom of £150.0m. The Group identifies and takes appropriate actions based on its regular, detailed system for the reporting and forecasting of cash flows from its operations. The Group's drawn debt, excluding fees, represented 22.6% (2022: 24.1%) of available committed facilities at 30 June 2023. In addition, the Group had £1,269.1m (2022: £1,352.7m) of cash and cash equivalents.

The Group was in compliance with its financial covenants at 30 June 2023. The Group's resilience to its principal risks has been modelled, together with possible mitigating actions, over a three-year period. At the date of approval of the Financial Statements, the Group's internal forecasts indicate that it will be able to operate within its current facilities and remain in compliance with these covenants for the foreseeable future, being at least 12 months from the date of signing these Financial Statements.

One of the Group's objectives is to minimise refinancing risk. The Group has a policy that the average maturity of its committed bank facilities and private placement notes is a minimum of two years with a target of two to three years. At 30 June 2023, the average maturity of the Group's committed facilities was 4.4 years (2022: 3.8 years).

The Group maintains certain committed floating rate facilities with banks to ensure sufficient liquidity for its operations. The undrawn committed facilities available to the Group, in respect of which all conditions precedent had been met, were as follows:

	Group		Company	
Expiry date	**2023 £m**	2022 £m	**2023 £m**	2022 £m
In more than two years but not more than five years	**700.0**	700.0	**700.0**	700.0

In addition, the Group had undrawn, uncommitted overdraft facilities available at 30 June 2023 of £37.0m (2022: £37.0m).

The expected undiscounted cash flows of the Group and Company financial liabilities, by remaining contractual maturity at the balance sheet date were as follows:

Group	Notes	Carrying amount £m	Contractual cash flow £m	Less than 1 year £m	1–2 years £m	2–5 years £m	Over 5 years £m
2023							
Loans and borrowings (including bank overdrafts)[1]	22	**203.4**	**224.9**	**5.5**	**5.5**	**213.9**	**—**
Trade and other payables[2]	22	**1,119.5**	**1,140.1**	**937.8**	**133.0**	**67.4**	**1.9**
Lease liabilities	22	**46.2**	**50.3**	**13.3**	**11.4**	**18.8**	**6.8**
		1,369.1	**1,415.3**	**956.6**	**149.9**	**300.1**	**8.7**
2022							
Loans and borrowings (including bank overdrafts)[1]	22	217.3	230.4	5.5	5.5	16.6	202.8
Trade and other payables[2]	22	1,387.9	1,411.6	1,157.6	146.7	98.1	9.2
Lease liabilities	22	37.1	39.5	11.2	8.7	15.8	3.8
		1,642.3	1,681.5	1,174.3	160.9	130.5	215.8

1 The Group is party to banking agreements that include a legal right of offset, which enables the overdraft balances of £3.4m (2022: £17.3m) to be settled net with cash balances. These balances have been excluded from contractual cash flows.

2 Excludes deferred income, payments received in excess of amounts recoverable on contracts, tax and social security and other non-financial liabilities.

The Group had no derivative financial instruments at 30 June 2023 or 30 June 2022.

Notes to the Financial Statements continued
Year ended 30 June 2023

31. Financial risk management continued

Liquidity risk continued

Company	Notes	Carrying amount £m	Contractual cash flow £m	Less than 1 year £m	1–2 years £m	2–5 years £m	Over 5 years £m
2023							
Loans and borrowings (including bank overdrafts)	22	**200.0**	**224.9**	**5.5**	**5.5**	**213.9**	**—**
Trade and other payables[1]	22	**18.1**	**18.1**	**18.1**	**—**	**—**	**—**
Intercompany payables	22	**354.2**	**354.2**	**354.2**	**—**	**—**	**—**
Lease liabilities	22	**4.2**	**4.3**	**1.3**	**1.2**	**1.8**	**—**
		576.5	**601.5**	**379.1**	**6.7**	**215.7**	**—**
2022							
Loans and borrowings (including bank overdrafts)	22	200.0	230.4	5.5	5.5	16.6	202.8
Trade and other payables[1]	22	16.7	16.7	16.7	—	—	—
Intercompany payables	22	323.5	323.5	323.5	—	—	—
Lease liabilities	22	4.2	4.3	1.1	1.0	2.2	—
		544.4	574.9	346.8	6.5	18.8	202.8

1 Excludes tax and social security and other non-financial liabilities.

The Company had no derivative financial instruments at 30 June 2023 or 30 June 2022.

Market risk (price risk)

Interest rate risk

The Group has both interest-bearing assets and interest-bearing liabilities. Floating rate borrowings expose the Group to cash flow interest rate risk, and fixed rate borrowings expose the Group to fair value interest rate risk.

The Group has a conservative treasury risk management strategy and the Group's interest rates are set using fixed rate debt instruments.

Due to the level of the Group's interest cover ratio, and in accordance with the Group's policy to hedge a proportion of the forecast RCF drawings based on the Group's three-year plan, no interest rate hedges are currently required.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Group	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Non-interest -bearing financial liabilities £m	Total £m
2023				
Financial liability exposure to interest rate risk	**—**	**200.0**	**1,169.1**	**1,369.1**
2022				
Financial liability exposure to interest rate risk	—	200.0	1,442.3	1,642.3

The Group retained a strong cash position throughout the year and, therefore, the Group did not draw on its RCF during the year and the use of other facilities was minimal. No interest was paid by the Group on floating rate borrowings in 2023 or 2022.

Sterling USPP notes of £200.0m were issued on 22 August 2017 with a fixed coupon of 2.77% and a ten-year maturity. These fixed rate notes expose the Group and Company to fair value interest rate risk.

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Company	Floating rate financial liabilities[1] £m	Fixed rate financial liabilities £m	Non-interest -bearing financial liabilities[1] £m	Total £m
2023				
Financial liability exposure to interest rate risk	**340.7**	**200.0**	**35.8**	**576.5**
2022				
Financial liability exposure to interest rate risk[1]	310.0	200.0	34.4	544.4

1 In the prior year, interest-bearing loans from Group undertakings of £310.0m were disclosed as non-interest-bearing financial liabilities. These have been reclassified to floating rate financial liabilities.

31. Financial risk management continued

Market risk (price risk) continued

Interest rate risk continued

The Company's floating rate financial liabilities comprise interest-bearing loans from other Group undertakings, on which interest was charged at a rate of 4.0% throughout the year (2022: 4.0%).

Sensitivity analysis

In the year ended 30 June 2023, if UK interest rates had been 1.0% higher (considered to be a reasonably possible change based on forecast peak Bank of England interest rates) and all other variables were held constant, the Group's pre-tax profit would increase by £9.6m, the Group's post-tax profit would increase by £7.2m and, as such, the Group's equity would increase by £7.2m.

Credit risk

In the majority of cases, the Group receives cash on legal completion for private sales and receives advance stage payments from registered providers for affordable housing. The Group has £1,269.1m (2022: £1,352.7m) on deposit or in current accounts with 14 (2022: 14) financial institutions. Other than this, neither the Group nor the Company has a significant concentration of credit risk, as their exposure is spread over a large number of counterparties and customers.

The Group manages credit risk through its credit policy. This limits its exposure to financial institutions with high credit ratings, as set by international credit rating agencies, and determines the maximum permissible exposure to any single counterparty.

The maximum exposure to any counterparty at 30 June 2023 was £181.3m (2022: £190.0m) of cash on deposit with a financial institution. The carrying amount of financial assets recorded in the Financial Statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

As at 30 June 2023, the Company was exposed to £79.0m (2022: £79.2m) of credit risk in relation to intercompany loans, which are considered to be of low credit risk and fully recoverable, as well as financial guarantees, performance bonds and the bank borrowings of subsidiary undertakings. Further details are provided in notes 29 and 30.

Capital risk management (cash flow risk)

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and meet its liabilities as they fall due while maintaining an appropriate capital structure.

The Group manages its share capital as equity, as set out in the Statement of Changes in Shareholders' Equity, and its bank borrowings (being overdrafts and bank loans) and its private placement notes as other financial liabilities, as set out in note 22. The Group is subject to the prevailing conditions of the UK economy and the quantum of the Group's earnings is dependent upon the level of UK house prices. UK house prices are determined by the UK economy and economic conditions, employment levels, interest rates, consumer confidence, mortgage availability and competitor pricing. The Group's approach to the management of the principal operational risks of the business is detailed on pages 71 and 72.

Other methods by which the Group can manage its short-term and long-term capital structure include: adjusting the level of dividend payments to shareholders (assuming the Company is paying a dividend); issuing new share capital; arranging debt to meet liability payments; and selling assets to reduce debt.

32. Business combinations and Group subsidiary undertakings

Consolidation

The Financial Statements of subsidiary undertakings are consolidated from the date when control passes to the Group, as defined in IFRS 3, using the acquisition method of accounting up to the date control ceases. All of the subsidiaries' identifiable assets and liabilities, including contingent liabilities, existing at the date of acquisition are recorded at their fair values. All changes to those assets and liabilities, and the resulting gains and losses that arise after the Group has gained control of the subsidiary are included in the Income Statement. All intra-Group transactions and intercompany profits or losses are eliminated on consolidation.

During the prior year, the Group acquired all of the share capital of Gladman Developments Limited. No revision of the acquisition accounting for Gladman Developments Limited was necessary in the current year, and no new acquisitions have been made.

The entities listed below, and on the following pages, are subsidiaries of the Company or Group. All are registered in England and Wales or Scotland, with the exception of SQ Holdings Limited, which is registered in Guernsey. Unless otherwise stated, the results of these entities are consolidated within these Financial Statements.

Notes to the Financial Statements continued
Year ended 30 June 2023

32. Business combinations and Group subsidiary undertakings continued

Audit exemption

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 30 June 2023. The undertakings listed below are 100% owned, either directly or indirectly, by Barratt Developments PLC.

Subsidiary	Company number
Acre Developments Limited	SC091934
Base East Central Rochdale LLP	OC318544
Base Hattersley LLP	OC318541
Base Regeneration LLP	OC318540
Basildon Regeneration (Barratt Wilson Bowden) Limited	05876010
BDW (F.R.) Limited	05876012
BDW (F.R. Commercial) Limited	05876013
BDW North Scotland Limited	SC027535
Milton Park Homes Limited	03787306
Wilson Bowden Limited	02059194
Yeovil Developments Limited	05285388

In accordance with Section 479C of the Companies Act 2006, the Company will guarantee the debts and liabilities of the above UK subsidiary undertakings. As at 30 June 2023, the total sum of these debts and liabilities is £32.7m.

At 30 June 2023 the Group owned 100% of the ordinary share capital of the following subsidiaries:

Subsidiary	Registered office	Notes
Acre Developments Limited	2	A
Advance Housing Limited	1	A
Ambrose Builders Limited	1	A
Barratt Bristol Limited	1	
Barratt Central Limited	1	
Barratt Chester Limited	1	A
Barratt Commercial Limited	1	
Barratt Construction (Southern) Limited	1	A
Barratt Corporate Secretarial Services Limited	1	
Barratt Developments (International) Limited	1	
Barratt Dormant (Atlantic Quay) Limited	1	A
Barratt Dormant (Blackpool) Limited	1	A
Barratt Dormant (Capella) Limited	1	A
Barratt Dormant (Cheadle Hulme) Limited	1	A
Barratt Dormant (Harlow) Limited	1	A
Barratt Dormant (Riverside Exchange Sheffield C2) Limited	1	A
Barratt Dormant (Riverside Exchange Sheffield L/M) Limited	1	A
Barratt Dormant (Riverside Quarter) Limited	1	A
Barratt Dormant (Riverside Sheffield Building C1) Limited	1	A
Barratt Dormant (Rugby) Limited	1	A
Barratt Dormant (Southampton) Limited	1	A
Barratt Dormant (Thetford) Limited	1	A
Barratt Dormant (Tyers Bros. Oakham) Limited	1	A
Barratt Dormant (Walton) Limited	1	A
Barratt Dormant (WB Construction) Limited	1	A
Barratt Dormant (WB Developments) Limited	1	A
Barratt Dormant (WB Properties Developments) Limited	1	A
Barratt Dormant (WB Properties Northern) Limited	1	A
Barratt East Anglia Limited	1	A
Barratt East Midlands Limited	1	
Barratt East Scotland Limited	58	A
Barratt Eastern Counties Limited	1	A
Barratt Edinburgh Limited	2	A
Barratt Evolution Limited	1	A
Barratt Falkirk Limited	2	A
Barratt Leeds Limited	1	
Barratt London Limited	1	
Barratt Manchester Limited	1	A
Barratt Newcastle Limited	1	A
Barratt North London Limited	1	
Barratt Northampton Limited	1	
Barratt Northern Limited	1	
Barratt Norwich Limited	1	A
Barratt Pension Trustee Limited	1	
Barratt Poppleton Limited	1	A
Barratt Preston Limited	1	A
Barratt Properties Limited	1	A
Barratt Scottish Holdings Limited	2	A
Barratt South London Limited	1	
Barratt South Wales Limited	1	
Barratt South West Limited	1	A
Barratt Southern Counties Limited	1	
Barratt Southern Limited	1	
Barratt Southern Properties Limited	1	A
Barratt Special Projects Limited	1	A
Barratt St Mary's Limited	1	A
Barratt St Paul's Limited	1	A
Barratt Sutton Coldfield Limited	1	A
Barratt Trade And Property Company Limited	2	A
Barratt Urban Construction (East London) Limited	1	A
Barratt Urban Construction (Northern) Limited	1	A
Barratt Urban Construction (Scotland) Limited	2	A
Barratt West Midlands Limited	1	
Barratt West Scotland Limited	2	
Barratt Woking Limited	1	A
Barratt York Limited	1	
Bart 225 Limited	1	A
Basildon Regeneration (Barratt Wilson Bowden) Limited	1	A
BDW (F.R.) Limited	1	A
BDW (F.R. Commercial) Limited	1	A
BDW North Scotland Limited	51	
BDW Trading Limited	1	
Bradgate Development Services Limited	1	A
Broad Oak Homes Limited	1	A
C V (Ward) Limited	1	A
Cameoplot Limited	1	A
CHOQS 429 Limited	1	A
Crossbourne Construction Limited	1	A
David Wilson Estates Limited	1	A
David Wilson Homes (Anglia) Limited	1	A

32. Business combinations and Group subsidiary undertakings continued

Audit exemption continued

Subsidiary	Registered office	Notes
David Wilson Homes (East Midlands) Limited	1	A
David Wilson Homes (Home Counties) Limited	1	A
David Wilson Homes (North Midlands) Limited	1	A
David Wilson Homes (Northern) Limited	1	A
David Wilson Homes (South Midlands) Limited	1	A
David Wilson Homes (Southern) Limited	1	A
David Wilson Homes (Western) Limited	1	A
David Wilson Homes Land (No 10) Limited	1	A
David Wilson Homes Land (No 11) Limited	1	A
David Wilson Homes Land (No 13) Limited	1	A
David Wilson Homes Land (No 14) Limited	1	A
David Wilson Homes Land (No 15) Limited	1	A
David Wilson Homes Limited	1	A
David Wilson Homes Services Limited	1	A
David Wilson Homes Yorkshire Limited	1	A
Decorfresh Projects Limited	1	A
Dicconson Holdings Limited	1	A
E. Barker Limited	1	A
E. Geary & Son Limited	1	A
English Oak Homes Limited	1	
Francis (Springmeadows) Limited	1	A
Frenchay Developments Limited	1	A
G.D. Thorner (Construction) Limited	1	A
G.D. Thorner (Holdings) Limited	1	A
Gladman Developments Limited	1	A
Glasgow Trust Limited	2	A
Hartswood House Limited	1	
Hawkstone (South West) Limited	1	A
Heartland Development Company Limited	1	A
Idle Works Limited	1	A
J.G.Parker Limited	1	A
James Harrison (Contracts) Limited	2	A
Janellis (No.2) Limited	1	A
Kealoha 11 Limited	1	A
Kealoha Limited	1	A
Kingsoak Homes Limited	1	
Knightsdale Homes Limited	1	
Lindmere Construction Limited	1	A
Marple Development Company Limited	1	A
Meridian Press Limited	1	A
Milton Park Homes Limited	1	A
Mountdale Homes Limited	1	
Norfolk Garden Estates Limited	1	A
North West Land Developments Limited	1	A
Oregon Contract Management Limited	51	A
Oregon Timber Frame Limited	51	A
Oregon Timber Frame (England) Limited	1	A
Redbourne Builders Limited	1	A
Roland Bardsley Homes Limited	1	A
Scothomes Limited	2	A
Scottish Homes Investment Company, Limited	2	A
Skydream Property Co. Limited	1	A
Squires Bridge Homes Limited	1	A
Squires Bridge Limited	1	A
Swift Properties Limited	1	A
The French House Limited	1	A
Tomnik Limited	1	A
Trencherwood Commercial Limited	1	A
Trencherwood Construction Limited	1	A
Trencherwood Developments Limited	1	A
Trencherwood Estates Limited	1	A
Trencherwood Group Services Limited	1	A
Trencherwood Homes (Holdings) Limited	1	A
Trencherwood Homes (Midlands) Limited	1	A
Trencherwood Homes (South Western) Limited	1	A
Trencherwood Homes (Southern) Limited	1	A
Trencherwood Homes Limited	1	A
Trencherwood Housing Developments Limited	1	A
Trencherwood Investments Limited	1	A
Trencherwood Land Holdings Limited	1	A
Trencherwood Land Limited	1	A
Trencherwood Retirement Homes Limited	1	A
Vizion (Milton Keynes) Limited	1	A
VSM (Bentley Priory 1) Limited	1	A
VSM (Bentley Priory 2) Limited	1	A
VSM (Bentley Priory 3) Limited	1	A
VSM (Bentley Priory 4) Limited	1	A
VSM (Bentley Priory 5) Limited	1	A
VSM (Bentley Priory 6) Limited	1	A
Ward Holdings Limited	1	A
Ward Homes (London) Limited	1	A
Ward Homes (North Thames) Limited	1	A
Ward Homes (South Eastern) Limited	1	A
Ward Homes Group Limited	1	A
Ward Homes Limited	1	A
Ward Insurance Services Limited	1	A
Wards Construction (Industrial) Limited	1	A
Wards Construction (Investments) Limited	1	A
Wards Country Houses Limited	1	A
Waterton Tennis Centre Limited	29	A
WBD (Wokingham) Limited	1	A
Westcountry Land (Union Corner) Limited	1	A
William Corah & Son Limited	1	A
William Corah Joinery Limited	1	A
Wilson Bowden (Atlantic Quay Number 2) Limited	1	A
Wilson Bowden (Ravenscraig) Limited	1	
Wilson Bowden City Homes Limited	1	A
Wilson Bowden Developments Limited	1	A
Wilson Bowden Group Services Limited	1	A
Wilson Bowden Limited	1	
Yeovil Developments Limited	1	A

Notes to the Financial Statements continued
Year ended 30 June 2023

32. Business combinations and Group subsidiary undertakings continued

Audit exemption continued

Subsidiaries of the Group which are management companies limited by guarantee:

Subsidiary	Registered office	Notes
28-33 Imperial Park Management Company Limited	26	A, B
Abbey Gate Residents Management Company Limited	5	A, B
Abbey View Residents Management Company Limited	57	A, B
Abbotts Green (Woolpit) Management Company Limited	14	A, B
Abbotts Meadow (Steventon) Management Company Limited	12	A, B
Adderbury Fields Management Company Limited	5	A, B
Aldhelm Court Management Company Limited	30	A, B
Amberswood Rise Management Company Limited	57	A, B
Ambler's Meadow (East Ardsley) Management Company Limited	10	A, B
Applegarth Manor (Oulton) Management Company Limited	10	A, B
Applegate (Sittingbourne) Management Company Limited	11	A, B
Ashridge Grange (Wokingham) Management Company Limited	10	A, B
Aylesham (Central) Residents Management Company Limited	11	A, B
Aylesham Village (Barratt) Residents Management Company Limited	49	A, B
B5 Central Residents Management Company Limited	23	A, B
Baggeridge Village Management Company Limited	5	A, B
Barley Fields Management Company Limited	10	A, B
Barum Knoll, Barnstaple Management Company Limited	31	A, B
Beaufort Park (Wotton Bassett) Management Limited	50	A, B
Beavans House Management Company Limited	1	A, B
Beck Lane, Sutton-in-Ashfield (The Hawthorns) Management Company Limited	26	A, B
Beeston Quarter Apartments (Beeston) Management Company Limited	8	A, B
Belle Vue (Doncaster) Management Company Limited	6	A, B
Bentley Fields Residents Management Company Limited	23	A, B
Bermondsey Heights Residents Energy Management Company Limited	4	A, B
Bermondsey Heights Residents Management Company Limited	4	A, B
Berry Acres (Paignton) Management Company Limited	40	A, B
Bilberry Chase Residents Management Company Limited	5	A, B
Birds Marsh View Chippenham Apartment Resident Management Company Limited	13	A, B
Bishop Fields (Hereford) Management Company Limited	20	A, B
Bishop Park (Henfield) Management Company Limited	53	A, B
Bishops Green (Wells) Management Company Limited	30	A, B
Bishop's Hill Residents Management Company Limited	23	A, B
Blackberry Park Residents Management Company Limited	13	A, B
Blackdown Heights (Crimchard) Management Company Limited	31	A, B
Blackhorse View Energy Centre Management Company	1	A, B
Blackhorse View Residents Management Company	1	A, B
Blackwater Reach (Southminster) Management Company Limited	52	A, B
Blossomfields Residents Management Company Limited	5	A, B
Bluebell Woods (Wyke) Management Company Limited	10	A, B
Blythe House Management Company Limited	39	A, B
Bodington Manor (Adel) Management Company Limited	9	A, B
Bowds House Management Company Limited	1	A, B
Braid Park (Tiverton) Management Company Limited	40	A, B
Brindsley (Old Mill Farm)Management Company Limited	60	A, B
Brooklands (Milton Keynes) Management Company Limited	54	A, B
Brue Place Residents Management Company Limited	32	A, B
Bruneval Gardens (Wellesley) Management Company Limited	10	A, B
Brun Lea Heights Resident Management Company Limited	36	A, B
Buckley Gardens (Melksham) Management Company Limited	59	A, B
Bure Meadows (Aylsham) Management Company Limited	10	A, B

Subsidiary	Registered office	Notes
Burlington Road Residents' Management Company Limited	1	A, B
Canal Quarter Resident Management Company Limited	16	A, B
Cane Hill Park (Coulsdon) Management Company Limited	54	A, B
Cane Hill Park (Gateway) Management Company Limited	53	A, B
Canes Meadow (Brixton) Management Company Limited	40	A, B
Canford Paddock (Poole) Management Company Limited	46	A, B
Carlton Green (Carlton) Management Company Limited	9	A, B
Castle Hill (DWH1) Residents Management Company Limited	8	A, B
Castlegate & Mowbray Park Management Company Limited	6	A, B
Cedar Ridge Management Company Limited	10	A, B
Central Area Heat Company Limited	42	A, B
Centurion Meadows (Burley) Management Company Limited	54	A, B
Centurion Village Management Company Limited	36	A, B
Ceres Rise Residents Management Company Limited	21	A, B
Chalkers Rise (Peacehaven) Management Company Limited	10	A, B
Chapel Gate (Launceston) Management Company Limited	40	A, B
Charfield Gardens Management Company Limited	10	A, B
Cherry Blossom Meadow (Newbury) Management Company Limited	12	A, B
City Heights Apartments (Leicester) Management Company Limited	8	A, B
Clements Gate (Poringland 2) Management Company Limited	54	A, B
Clipstone Park (Leighton Buzzard) Management Company Limited	54	A, B
Coat Grove (Martock) Management Company Limited	40	A, B
Colliers Court (Speedwell) Management Company Limited	13	A, B
Compass Point (Swanage Grammar School) Management Company Limited	46	A, B
Compass Point (Swanage) Management Company Limited	46	A, B
Constable Gardens (Residents) Management Company Limited	14	A, B
Corinthian Place Management Company Limited	47	A, B
Cottam Gardens Resident Management Company Limited	36	A, B
Cringleford Heights Management Company Limited	61	A, B
Croft Gardens (Phase 2) Management Company Limited	12	A, B
Daracombe Gardens Management Company Limited	33	A, B
Darwin Green Management Company Limited	54	A, B
De Cheney Gardens Management Company Limited	30	A, B
De Havilland Place (Hatfield) Limited	22	A, B
De Lacy Fields KM8 Management Company Limited	5	A, B
De Lacy Fields KM12 Management Company Limited	5	A, B
Deddington Grange Management Company Limited	5	A, B
Delamere Park (Nunney) Management Company Limited	50	A, B
Dickens Gate (Staplehurst) Management Company Limited	8	A, B
Dida Gardens (Didcot) Management Company Limited	42	A, B
Donnington Heights (Newbury) Management Company Limited	12	A, B
Doseley Park Residents Management Company Limited	5	A, B
Drayton Meadows Management Company Limited	23	A, B
Drovers Court (Micklefield) Management Company Limited	9	A, B
Dunmore Road (Abingdon) Management Company Limited	12	A, B
Dunstall Park (Tamworth) Residents Management Company Limited	20	A, B
Earls Park Management Company Limited	30	A, B
East Ham Market Energy Centre Management Company	1	A, B
East Ham Market Residents Management Company	1	A, B
Eastman Village Energy Centre Management Company Limited	1	A, B

32. Business combinations and Group subsidiary undertakings continued

Audit exemption continued

Subsidiary	Registered office	Notes
Eastman Village Residents Management Company Limited	1	A, B
Ecclesden Park (Angmering) Management Company Limited	18	A, B
Edwalton (Sharp Hill) Management Company Limited	48	A, B
Eldebury Place (Chertsey) Management Company Limited	53	A, B
Elderwood (Bannerdale) Management Company Limited	9	A, B
Elm Tree Park (Rainworth) Management Company Limited	9	A, B
Elworthy Place (Wiveliscombe) Management Company Limited	31	A, B
Elysian Fields (Adel) Management Company Limited	10	A, B
Embden Grange (Tavistock) Management Company Limited	40	A, B
Emmet's Reach (Birkenshaw) Management Company Limited	54	A, B
Ersham Park (Hailsham) Management Company Limited	10	A, B
Fairfield Croft Management Company Limited	6	A, B
Fairfield (Stony Stratford) Management Company Limited	54	A, B
Fairway Gardens (Rusington) Management Company Limited	28	A, B
Farrier Place – Canford Paddock Phase 2 (Poole) Management Company Limited	46	A, B
Ferris House Management Company Limited	54	A, B
Filwood Park Management Company Limited	13	A, B
Finchwood Park Management Company Limited	7	A, B
Folliott's Manor Residents Management Company Limited	20	A, B
Forest Walk, Whiteley Management Company Limited	48	A, B
Fradley Manor Management Company Limited	20	A, B
Franklin Gardens (Darwin Green) Management Company Limited	14	A, B
Freemen's Meadow Residents Management Company Limited	26	A, B
Garnett Wharf (Otley) Management Company Limited	9	A, B
Gerway Management Limited	40	A, B
Gilden Park (Old Harlow) Residents Management Company Limited	8	A, B
Gillies Meadow (Basingstoke) Management Company Limited	12	A, B
Glenvale Park Management Company Limited	43	A, B
Grange Park (Hampsthwaite) Management Company Limited	10	A, B
Great Dunmow Grange Management Company Limited	18	A, B
H2363 Limited	50	A, B
Hallam Park Residents Management Company Limited	23	A, B
Hampton Water Management Company Limited	15	A, B
Hanwood Park Community Partnership Limited	17	A, B
Harbour Place (Bedhampton) Management Company Limited	35	A, B
Harbourside (East Quay Apartments 13–21 & 31–39) Management Company Limited	29	A, B
Harclay Park Management Company Limited	57	A, B
Harlow Gateway Limited	25	A, B
Hartley Brook (Netherton) Management Company Limited	9	A, B
Haskins House Management Company Limited	1	A, B
Hawley Gardens Management Company Limited	36	A, B
Hayes Village Energy Centre Management Company Limited	1	A, B
Hayes Village Resident Management Company Limited	1	A, B
Heather Croft (Pickering) Management Company Limited	9	A, B
Heathwood Park (Lindfield) Management Company Limited	28	A, B
Helme Ridge (Meltham) Management Company Limited	54	A, B
Henbrook Gardens Management Company Limited	20	A, B
Hendon Waterside Energy Centre Management Company Limited	1	A, B
Hendon Waterside Residents Management Company Limited	1	A, B
Hengist Field Management Company Limited	55	A, B
Heron House (Wichelstowe) Management Company Limited	1	A, B
Hesslewood Park Management Company Limited	10	A, B

Subsidiary	Registered office	Notes
Hewenden Ridge (Cullingworth) Management Company Limited	9	A, B
Hidcote House Management Company Limited	39	A, B
High Elms Park (Hullbridge) Management Company Limited	47	A, B
High Street Quarter Energy Centre Management Company Limited	1	A, B
High Street Quarter Residents Management Company Limited	1	A, B
Highgrove Gardens (Romsey) Management Company Limited	46	A, B
Hillside Gardens (Orchard RW) Residents Management Company Limited	40	A, B
Hollygate Park (Cotgrave) Management Company Limited	16	A, B
Infinity Park Derby Management Limited	1	A, B
Honeymans Helm (Highworth) Management Company Limited	59	A, B
Inglewhite Meadows Residents Management Company Limited	8	A, B
Inkersall Road (Chesterfield) Management Company Limited	9	A, B
Jenkins House Management Company Limited	1	A, B
Keeper's Meadow Residents Management Company Limited	23	A, B
Kennett Heath Management Limited	8	A, B
Kilners Grange (Tongham) Management Company Limited	53	A, B
Kingfisher Meadow (Horsford) Management Company Limited	14	A, B
Kingfisher Meadows Residents Management Company Limited	23	A, B
Kingley Gate (Littlehampton) Management Company Limited	53	A, B
Kingsbourne (Nantwich) Community Management Company Limited	8	A, B
Kingsbrook Estate Management Company Limited	16	A, B
Kings Chase Residents Management Company Limited	25	A, B
Kingsdown Gate (Swindon) Management Company Limited	13	A, B
Kingsley Meadows (Harrogate) Management Company Limited	6	A, B
Kings Lodge (Hatfield) Management Company Limited	25	A, B
Kipling Road (Ledbury) Residents Management Company Limited	20	A, B
Knights Park (Watton) Management Company Limited	54	A, B
Knights Rise (Temple Cloud) Management Company Limited	30	A, B
Knights View (Landgold) Management Company Limited	54	A, B
KP (Macclesfield) Residents Management Company Limited	26	A, B
KW (Site B) Management Company Limited	12	A, B
Ladden Garden Village Apartment Blocks BCD Management Company Limited	30	A, B
Ladden Garden Village Management Company Limited	30	A, B
Lakeside Walk (Hamworthy) Management Company Limited	35	A, B
Lancaster Gardens Management Company Limited	6	A, B
Lancaster Gardens (Phase 2) Management Company Limited	6	A, B
Landmark Square Wokingham Management Limited	12	A, B
Langham Mews Management Company Limited	44	A, B
Languard View (Dovercourt) Residents Management Company Limited	14	A, B
Lavender Grange (Stondon) Resident Management Company Limited	54	A, B
Lavendon Fields (Olney) Residents Management Company Limited	57	A, B
Lay Wood (Devizes) Management Company Limited	13	A, B
Letcombe Gardens (Grove) Management Company Limited	41	A, B
Linmere (Houghton Regis) Residents Management Company Limited	15	A, B

Notes to the Financial Statements continued
Year ended 30 June 2023

32. Business combinations and Group subsidiary undertakings continued

Audit exemption continued

Subsidiary	Registered office	Notes
Lock Keeper's Gate (Low Barugh) Management Company Limited	10	A, B
Locksbridge Park (Andover) Management Company Limited	12	A, B
Lockwood Fields (Chidswell) Management Company Limited	10	A, B
Lordswood Gardens Residents Management Company Limited	5	A, B
Lubbesthorpe R5 Management Company Limited	60	A, B
Lucerne Fields (Ivybridge) Management Company Limited	40	A, B
Luneside Mills Management Company Limited	8	A, B
Lyde View Residents Management Company Limited	10	A, B
Macclesfield Road Management Company Limited	36	A, B
Madgwick Park Management Company Limited	46	A, B
Marham Park Management Company Limited	18	A, B
Market Warsop (Stonebridge Lane) Management Company Limited	16	A, B
Marlborough Grove Estate Management Company Limited	16	A, B
Marston Park (Marston Moretaine) Management Company Limited	54	A, B
Martello Lakes (Barratt) Resident Management Company Limited	8	A, B
Martello Lakes (Hythe) Resident Management Company Limited	11	A, B
Martingale Chase (Newbury) Management Company Limited	8	A, B
Meadowburne Place (Willingdon) Management Company Limited	54	A, B
Meadowfields (Boroughbridge) Management Company Limited	9	A, B
Meadow View Watchfield Management Company Limited	13	A, B
Melton Mowbray (Kirby Lane) Management Company Limited	60	A, B
Merlin Gate (Newent) Management Company Limited	50	A, B
Mill Brook (Westbury) Management Company Limited	59	A, B
Millbrook Park (Phase 9) Energy Centre Management Company Limited	1	A, B
Millbrook Park (Phase 9) Residents' Management Company Limited	1	A, B
Mill Springs (Whitchurch) Management Company Limited	34	A, B
Minerva (Apartments) Management Company Limited	40	A, B
Monarchs Keep (Bursledon) Management Company Limited	46	A, B
Montague Park No2 (Buckhurst Farm) Management Company Limited	12	A, B
Monument House Management Company Limited	54	A, B
Moorland Gate (Bishops Lydeard) Management Company Limited	50	A, B
Mortimer Park (Driffield) Management Company Limited	9	A, B
Mortimer Place (Hatfield Peverel) Residents Management Company Limited	14	A, B
Morton Meadows (Thornbury) Management Company Limited	50	A, B
Nant Y Castell (Caldicot) Management Company Limited	33	A, B
Needham's Grange Residents Management Company Limited	20	A, B
Needingworth Park Residents Management Company Limited	56	A, B
Nerrols Grange (Taunton) Management Company Limited	13	A, B
Netherwood (Darfield) Management Company Limited	54	A, B
Newbery Corner Management Company Ltd	13	A, B
New Heritage (Bordon) Management Company Limited	46	A, B
New Mill Quarter (BL) Residents Management Company Limited	8	A, B
New Mill Quarter Estate Resident Management Company Limited	8	A, B

Subsidiary	Registered office	Notes
Niveus Walk Management Company Limited	7	A, B
North Abington Management Company Limited	41	A, B
Northfield Park (Patchway) Management Company Limited	32	A, B
Northstowe Residents Management Company Limited	54	A, B
Northwalls Grange (Taunton) Management Company Limited	30	A, B
Norton Farm Management Company Limited	20	A, B
Notton Wood View (Royston) Management Company Limited	54	A, B
Oak Hill Mews Management Company Limited	20	A, B
Oakfield Village Estate Management Company Limited	16	A, B
Oakfields Residential Management Company Limited	5	A, B
Oakhill Gardens (Swanmore) Management Company Limited	18	A, B
Oaklands (Pontefract) Management Company Limited	9	A, B
Oatley Park Management Company Limited	62	A, B
Okement Park (Okehampton) Management Company Limited	31	A, B
Olive Park Residents Management Company Limited	17	A, B
Orchard Gate (Kingston Bagpuize) Management Company Limited	12	A, B
Orchard Green Estate Management Company Limited	16	A, B
Orchard Meadows (Appleton) Management Company Limited	45	A, B
Oughtibridge Valley (Oughtibridge) Management Company Limited	9	A, B
Overstone Gate Residents Management Company Limited	56	A, B
Parc Fferm Wen (St Athen) Management Company Limited	33	A, B
Parish Brook Residents Management Company Limited	32	A, B
Park Farm (Thornbury) Community Interest Company	30	A, B
Patch Meadows (Somerton) Management Company Limited	30	A, B
Pates House Management Company Limited	39	A, B
Pavilion Square (Phase 2) Management Company Limited	6	A, B
Pavilion Square (Pocklington) Management Company Limited	6	A, B
Peasedown Meadows Management Company Limited	30	A, B
Pebble Walk (Hayling Island) Management Company Limited	54	A, B
Pembridge Park (Phase 2) Management Company Limited	26	A, B
Pembroke Park (Cirencester) Management Company Limited	30	A, B
Pen Bethan (Falmouth) Management Company Limited	31	A, B
Penndrumm (Looe) Management Company Limited	40	A, B
Penning Ridge (Penistone) Management Company Limited	9	A, B
Pentref Llewelyn (Penllergaer) Management Company Limited	10	A, B
Perry Court (Faversham) Management Company Limited	54	A, B
Phase 3 Clark Drive LGV Management Company Limited	32	A, B
Phase 3 Clark Drive 2 LGV Management Company Limited	32	A, B
Phase 6 Apartments LGV Management Company Limited	32	A, B
Phoenix And Scorseby Park Management Company Limited	6	A, B
Phoenix Quarter — Apt — Management Company Limited	49	A, B
Phoenix Quarter Estate Management Company Limited	49	A, B
Pinewood Park (Formby) Management Company Limited	57	A, B
Pinn Brook Park (Monkerton) Management Company Limited	40	A, B
PL2 Plymouth (2016) Limited	40	A, B
Poppy Fields (Cottingham) Management Company Limited	6	A, B
Portman Square West Village Reading Management Company Limited	12	A, B
Preston Grange Residents Management Company Limited	3	A, B

Subsidiary	Registered office	Notes
Priestley House Management Company Limited	54	A, B
Priory Fields (Pontefract) Management Company Limited	10	A, B
Prospect Rise (Whitby) Management Company Limited	6	A, B
Quarter Jack Park (Wimborne) Management Company Limited	46	A, B
Raleigh Holt (Barnstaple) Management Company Limited	40	A, B
Ramsey Park Residents Management Company Limited	56	A, B
Ravenhill Park Management Company Limited	20	A, B
Redhayes Management Company Limited	40	A, B
Redlodge (Suffolk) Management Company Limited	14	A, B
Redwood Heights (Plymouth) Management Company Limited	40	A, B
Residents Management Company (Beaconside) Limited	57	A, B
Richmond Park (Whitfield) Residents Management Company Limited	8	A, B
Ridgeway Views Energy Centre Management Company	1	A, B
Ridgeway Views Residents Management Company	1	A, B
River Meadow (Stanford in the Vale) Management Company Limited	12	A, B
River Whitewater Management Company (Hook) Limited	10	A, B
Riverdown Park (Salisbury) Management Company Limited	54	A, B
Riverside Grange (Farmbridge) Management Company Limited	9	A, B
Romans Edge Godmanchester Management Company Limited	54	A, B
Romans' Quarter (Bingham) Residential Management Company Limited	16	A, B
Rose and Lillies Residents Management Company Limited	23	A, B
Rosewood Park Bexhill Residents Management Company Limited	8	A, B
RV North Petherton Residents Management Company Limited	32	A, B
Ryebank Gate (Yapton) Management Company Limited	28	A, B
Salters Brook (Cudworth) Management Company Limited	54	A, B
Sandridge Place (Melksham) Management Company Limited	10	A, B
Saunderson Gardens Management Co Limited	10	A, B
Sawbridge Park (Sawbridgeworth) Management Company Limited	16	A, B
Saxon Corner (Emsworth) Management Company Limited	46	A, B
Saxon Dean (Silsden) Management Company Limited	10	A, B
Saxon Fields (Cullompton) Management Company Limited	40	A, B
Saxon Fields (Thanington) Management Company Limited	11	A, B
Saxon Gate (Leonard Stanley) Management Company Limited	10	A, B
Saxon Gate (Stamford Bridge) Management Company Limited	6	A, B
Saxon Mills (Hassocks) Management Company Limited	53	A, B
Scotgate Ridge (Honley) Management Company Limited	54	A, B
Shaftmoor Land Residents Management Company Limited	20	A, B
Silkwood Gate (Wakefield) Management Company Limited	9	A, B
Spinney Fields Residents Management Company Limited	5	A, B
Spitfire Green, (Manston) Residents Management Company Limited	49	A, B
Spring Valley View (Clayton) Management Company Limited	10	A, B
Springfield Place Resident Management Company Limited	4	A, B
St Andrews View (Morley) Management Co. Limited	54	A, B

Subsidiary	Registered office	Notes
St James Gardens (Wick) Management Company Limited	29	A, B
St James Management Company Limited	9	A, B
St Johns View Residents Management Company Limited	57	A, B
St Rumbolds Fields Management Company Limited	16	A, B
St. Andrews Place (Morley) Management Co. Limited	54	A, B
St. John's Walk (Hoylandswaine) Management Company Limited	54	A, B
St. Mary's Park (Hartley Wintney) Management Company Limited	25	A, B
St. Oswald's View (Methley) Management Company Limited	9	A, B
Stallard House Management Company Limited	39	A, B
Stansted Road (Kingswood Place Elsenham) Management Company Limited	18	A, B
Stotfold Park Management Company Limited	10	A, B
Summersfield (Papworth) Management Company Limited	54	A, B
Swallows Field (Hemel Hempstead) Management Company Ltd	22	A, B
Swan Mill (Newbury) Management Company Limited	12	A, B
Swinbrook Park (Carterton) Management Company Limited	12	A, B
Sydney Place (Crewe) Management Company Limited	57	A, B
Talbot and Clockmakers Management Company Limited	23	A, B
Tarka Ridge (Yelland) Management Company Limited	40	A, B
Templar's Chase (Wetherby) Management Company Limited	9	A, B
The Acorns and Hunters Wood Management Company Limited	54	A, B
The Belt Open Space Management Co Limited	6	A, B
The Bridleways (Eccleshill) Management Company Limited	54	A, B
The Causeway Park (Petersfield) Management Company Limited	34	A, B
The Chase (Newbury) Management Company Limited	12	A, B
The Chocolate Works Management Company Limited	37	A, B
The Courtyard (Darwin Green) Management Company Limited	16	A, B
The Furlongs (Westergate) Management Company Limited	46	A, B
The Glassworks (Catcliffe) Management Company Limited	10	A, B
The Grange (Lightcliffe) Management Company Limited	10	A, B
The Meads (Frampton Cotterell) Management Company Limited	13	A, B
The Mounts Residents Management Company Limited	5	A, B
The Old Meadow Management Company Limited	41	A, B
The Orchards (Hildersley) Management Company Limited	10	A, B
The Paddocks (Skelmanthorpe) Management Company Limited	10	A, B
The Paddocks (Southmoor) Management Company Limited	12	A, B
The Pastures (Knaresborough) Management Company Limited	6	A, B
The Pavilions Management Company (Southampton) Limited	46	A, B
The Pavilions Resident Management Company Limited	23	A, B
The Poppies (Maidstone) Residents Management Company Limited	11	A, B
The Spires (Chesterfield) Management Company Limited	26	A, B
The Vineyards Management Company Limited	30	A, B
The Woodlands (Sturry) Management Company Limited	11	A, B
Thornbury Gardens Dinnington Management Company Limited	10	A, B
Townsend Landing (Henstridge) Management Company Limited	31	A, B
Tranby Fields Management Company Limited	10	A, B
Treledan (Saltash) Management Company Limited	31	A, B
Trumpington Meadows Residents Management Company Limited	10	A, B
Trumpington (Phase 8—11) Management Company Limited	10	A, B
Trumpington Vista Management Company Limited	16	A, B
Union Park (Falmouth) Management Company Limited	40	A, B
Upton Gardens Energy Centre Management Company	1	A, B
Upton Gardens Residents Management Company	1	A, B

Notes to the Financial Statements continued
Year ended 30 June 2023

32. Business combinations and Group subsidiary undertakings continued

Audit exemption continued

Subsidiary	Registered office	Notes
Victoria Heights (Alphington) Management Company Limited	40	A, B
Wadsworth Gardens (Cleckheaton) Management Company Limited	54	A, B
Waite House Management Company Limited	1	A, B
Waldmers Wood Management Company Limited	57	A, B
Walton Gate (Felixstowe) Management Company Limited	14	A, B
Warboys Management Company Limited	38	A, B
Warren Grove (Storrington) Management Company Limited	49	A, B
Waterside (The Quays Barry) Management Company Number 1 Limited	29	A, B
Waterside (The Quays Barry) Management Company Number 2 Limited	29	A, B
Waterside (The Quays Barry) Management Company Number 3 Limited	29	A, B
Waterside Trentham Residents Management Company Limited	36	A, B
Watkin Road Energy Centre Management Company	1	A, B
Watkin Road Residents Management Company	1	A, B
Wayland Fields Residents Management Company Limited	14	A, B
WBD (Kingsway Management) Limited	1	A, B
Weavers Chase (Golcar) Management Company Limited	9	A, B
Webheath (Redditch) Management Company Limited	54	A, B
Wedgwood Residents Management Company Limited	5	A, B
Wendel View Residents Management Company Limited	56	A, B
Westbridge Park (Auckley) Management Company Limited	26	A, B
Westminster View (Clayton) Management Company Limited	10	A, B
Weston Meadows, Calne Management Company Limited	50	A, B
Whalley Road (Barrow) Management Company Limited	8	A, B
White Lias House Management Company Limited	23	A, B
Whittlesey Lakeside (Cambridge) Management Company Limited	21	A, B
Wichelstowe Estate Management CIC	1	A, B
Wigmore Park Management Company Limited	10	A, B
Willow Grove (Stopsley) Management Company Limited	8	A, B
Willow Grove (Wixams) Management Company Limited	54	A, B
Willow Lane (Beverley) Management Company Limited	6	A, B
Willow Lane (Beverley) Phase 2 Management Company Limited	19	A, B
Willowmead (Wiveliscombe) Management Company Limited	50	A, B
Winnington View Management Company Limited	26	A, B
Winnington Village Community Management Company Limited	26	A, B
Winnycroft Residents Management Company Limited	32	A, B
Withies Bridge Management Company Ltd	30	A, B
Whittingham Residents Management Company Limited	36	A, B
Woodhall Grange Management Company Limited	6	A, B
Woodland Heath Residential Management Company Limited	14	A, B
Wychwood Park (Haywards Heath) Management Company Limited	53	A, B

32. Business combinations and Group subsidiary undertakings continued

Other subsidiary entities:

Subsidiary	Registered office	Notes	Class of share held	% of shares owned
Base East Central Rochdale LLP	1	A	N/A	N/A
Base Hattersley LLP	1	A	N/A	N/A
Base Regeneration LLP	1	A	N/A	N/A
Base Werneth Oldham LLP	1	A	N/A	N/A
BLLQ LLP	1	A	N/A	N/A
BLLQ2 LLP	1	A	N/A	N/A
SQ Holdings Limited	53	A	Ordinary	90%
Vizion (MK) Properties LLP	1	A	N/A	N/A
Ash Tree Court Management Co. Ltd	1	A, D	Ordinary	0%
Aspects Management Company Limited	27	A	Ordinary	50%
Buckshaw Village Management Company Limited	8	A	Ordinary	50%
Famous Five Glenfield Limited	1	A, C	Ordinary	50%
Foxcote Mead Management Company Limited	1	A	Ordinary	100%
GWQ Management Limited	24	A, C	Ordinary	0%
Hazelmere Management Company Limited	1	A, D	Ordinary	0%
Interlink Park Management Company Limited	1	A, D	Ordinary	0%
Meridian Business Park Extension Management Company Limited	1	A, C	Ordinary	2%
Newbury Racecourse Management Limited	12	A, D	Ordinary	0%
Nottingham Business Park Management Company Limited	1	A, C	Ordinary	2%
Nottingham Business Park (Orchard Place) Management Company Limited	1	A, C	Ordinary	2%
Optimus Point Management Company Limited	1	A, C	Ordinary	0%
Pye Green Management Company Limited	20	A, C	Ordinary	17%
Riverside Exchange Management Company Limited	1	A, C	Ordinary/Preference	22%
Romulus Management Company Limited	1	A, D	Ordinary	4%
Runshaw Management Company Limited	8	A	Ordinary	100%
Springfield Village Estate Limited	16	A, C	Ordinary	16%
Stoneyfield Management Limited	1	A	Ordinary	100%
WBD Blenheim Management Company Limited	1	A, C	Ordinary	2%
WBD (Riverside Exchange Sheffield B) Limited	1	A, C	Ordinary	100%
WBD Riverside Sheffield Building K Limited	1	A, C	Ordinary	100%
West Village Reading Management Limited	12	A, D	Ordinary	0%

Notes to the Financial Statements continued
Year ended 30 June 2023

32. Business combinations and Group subsidiary undertakings continued

Registered Office

1. Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF
2. Buchanan Gate, Cumbernauld Road, Stepps, Glasgow G33 6FB
3. 111 West Street, Faversham, Kent ME13 7JB
4. Barratt East London, 3rd Floor Press Centre, Here East, 13 East Bay Lane, Stratford, London E15 2GW
5. One Eleven, Edmund Street, Birmingham, West Midlands B3 2HJ
6. Unit 11, Omega Business Park, Omega Business Village, Thurston Road, Northallerton, North Yorkshire DL6 2NJ
7. Discovery House, Crossley Road, Stockport, Greater Manchester, England, SK4 5BH
8. RMG House, Essex Road, Hoddesdon, Hertfordshire EN11 0DR
9. Gateway House, 10 Coopers Way, Southend-on-Sea, Essex SS2 5TE
10. Vantage Point, 23 Mark Road, Hemel Hempstead, Hertfordshire HP2 7DN
11. Weald House, 88 Main Road, Sundridge, Kent, United Kingdom, TN14 6ER
12. Cygnet House, Cygnet Way, Hungerford, Berkshire RG17 0YL
13. Units 1, 2 & 3 Beech Court, Wokingham Road, Hurst, Reading RG10 0RU
14. Barratt House, 7 Springfield Lyons Approach, Chelmsford, Essex CM2 5EY
15. The Maltings, Hyde Hall Farm, Sandon, Hertfordshire SG9 0RU
16. 2 Hills Road, Cambridge, Cambridgeshire CB2 1JP
17. Unit A5 Optimum Business Park, Optimum Road, Swadlincote, Derbyshire, England, DE11 0WT
18. Fisher House, 84 Fisherton Street, Salisbury SP2 7QY
19. 6 Alpha Court, Monks Cross Drive, York, Yorkshire, YO32 9WN
20. 60 Whitehall Road, Halesowen B63 3JS
21. Unit 1 Forder Way Cygnet Park, Hampton, Peterborough, United Kingdom, PE7 8GX
22. Wellstones House, Wellstones, Watford, Hertfordshire WD17 2AF
23. Remus 2, 2 Cranbook Way, Solihull Business Park, Solihull, West Midlands B90 4GT
24. Wallis House, Great West Road, Brentford, Middlesex TW8 9BS
25. Firstport Property Services Limited, Marlborough House, Wigmore Place, Wigmore Lane, Luton LU2 9EX
26. Chiltern House, 72–74 King Edward Street, Macclesfield, Cheshire SK10 1AT
27. 100 Avebury Boulevard, Milton Keynes England, MK9 1FH
28. 41a Beach Road, Littlehampton, West Sussex, England, DN17 5JA
29. Oak House, Village Way, Cardiff CF15 7NE
30. Unit 2 Beech Court, Wokingham Road, Hurst, Twyford, Berkshire RG10 0RQ
31. Vanguard House, Yeoford Way, Marsh Barton, Exeter EX2 8HL
32. Barratt House, 710 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4UD
33. Whittington Hall, Whittington Road, Worcester, WR5 2ZX
34. Building 4, Dares Farm Business Park, Farnham Road, Ewshot, Farnham, Surrey GU10 5BB
35. Ground Floor, Cromwell House, 15 Andover Road, Winchester, Hampshire SO23 7BT
36. 4 Brindley Road, City Park, Manchester M16 9HQ
37. Watson, Glendevon House, 4 Hawthorn Park, Coal Road, Leeds, West Yorkshire LS14 1PQ
38. Cumberland Court, 80 Mount Street, Nottingham, Nottinghamshire, United Kingdom, NG1 6HH
39. Ashford House, Grenadier Road, Exeter, Devon, EX1 3LH
40. Woodwater House, Pynes Hill, Exeter, Devon EX2 5WR
41. Unit 7, Astra Centre, Edinburgh Way, Harlow, Essex, England, CM20 2BN
42. Norgate House Tealgate, Charnham Park, Hungerford, Berkshire RG17 0YT
43. Barratt House, Sandy Way, Grange Park, Northampton NN4 5EJ
44. Unit 7, Hockliffe Business Park, Watling Street, Hockliffe, Leighton Buzzard, Bedfordshire LU7 9NB
45. 377–379 Hoylake Road, Moreton, Wirral, Merseyside CH46 0RW
46. 128 Pyle Street, Granary Court, Newport, Isle of Wight PO30 1JW
47. Woodland Place, Wickford Business Park, Hurricane Way, Wickford SS11 8YB
48. 154–155 Great Charles Street, Queensway, Birmingham B3 3LP
49. Thamesbourne Lodge, Station Road, Bourne End, Buckinghamshire SL8 5QH
50. 1 West Point Court, Great Park Road, Bradley Stoke, Bristol BS32 4PY
51. Blairton House, Old Aberdeen Road, Balmedie, Aberdeen, Scotland, AB23 8SH
52. C/O East Block Group, The Colchester Centre, Hawkins Road, Colchester, Essex CO2 8JX
53. Compton House, The Guildway, Old Portsmouth Road, Guildford, GU3 1LR
54. Queensway House, 11 Queensway, New Milton, Hampshire BH25 5NR
55. 100 High Street, Whitstable, Kent, CT5 1AT
56. 1a Fortune Close, Riverside Business Park, Northampton NN3 9HT
57. Unit 7, Portal Business Park, Eaton Lane, Tarporley, Cheshire CW6 9DL
58. Telford House, 3 Mid New Cultins, Edinburgh, Midlothian EH11 4DH
59. Wellington House, Great Park Road, Bradley Stoke, Bristol, BS32 4PY
60. 72–74 King Edward Street, Macclesfield, Cheshire, SK10 1AT
61. Second Floor Lakeside 300, Broadland Business Park, Norwich, Norfolk, England, NR7 0WG
62. Unit 1, Great Park Road, Bradley Stoke, Bristol, United Kingdom, BS32 4PY

Notes

A Owned through another Group company.

B Entity is limited by guarantee and is a temporary member of the Group. Assets are not held for the benefit of the Group and the entity has no profit or loss in the year.

C The Group is a minority shareholder but has voting control.

D The Group does not own any shares but has control via directors who are employees of the Group.

Definitions of alternative performance measures and reconciliation to IFRS (unaudited)

The Group uses a number of APMs that are not defined within IFRS. The Directors use these APMs, along with IFRS measures, to assess the operational performance of the Group as detailed in the key performance indicators section of the Strategic Report on pages 16 to 19. These APMs may not be directly comparable with similarly titled measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures. Definitions and reconciliations of the financial APMs used to IFRS measures, are included below:

Gross margin is defined as gross profit divided by revenue:

	2023	2022
Revenue per Consolidated Income Statement (£m)	5,321.4	5,267.9
Gross profit per Consolidated Income Statement (£m)	974.9	899.9
Gross margin	18.3%	17.1%

Adjusted gross margin is defined as adjusted gross profit divided by revenue:

	2023	2022
Revenue per Consolidated Income Statement (£m)	5,321.4	5,267.9
Adjusted gross profit per Consolidated Income Statement (£m)	1,130.4	1,308.1
Adjusted gross margin	21.2%	24.8%

Operating margin is defined as profit from operations divided by revenue:

	2023	2022
Revenue per Consolidated Income Statement (£m)	5,321.4	5,267.9
Profit from operations per Consolidated Income Statement (£m)	707.4	646.6
Operating margin	13.3%	12.3%

Adjusted operating margin is defined as adjusted profit from operations divided by revenue:

	2023	2022
Revenue per Consolidated Income Statement (£m)	5,321.4	5,267.9
Adjusted profit from operations per Consolidated Income Statement (£m)	862.9	1,054.8
Adjusted operating margin	16.2%	20.0%

Adjusted earnings for adjusted basic earnings per share and **adjusted diluted earnings per share** are calculated by excluding adjusted items and any associated net tax amounts from profit attributable to ordinary shareholders of the Company:

	2023 £m	2022 £m
Profit attributable to ordinary shareholders of the Company	530.3	515.1
Net cost associated with legacy properties per note 4	155.5	408.2
Cost associated with JV legacy properties per note 4	23.7	4.3
Tax impact of adjusted items	(39.3)	(82.5)
Adjusted earnings	670.2	845.1

Definitions of alternative performance measures and reconciliation to IFRS (unaudited) continued

Net cash is defined in note 18.

ROCE is calculated as earnings before amortisation, interest, tax and operating adjusting items for the year, divided by average net assets adjusted for goodwill and intangibles, tax, net cash, derivative financial instruments and provisions in relation to legacy properties.

	2023 £m	2022 £m
Profit from operations	**707.4**	646.6
Amortisation of intangible assets	**10.5**	4.3
Cost associated with legacy properties	**155.5**	408.2
Share of post-tax profit from JVs and associates	**8.8**	23.3
Adjusted cost related to JV legacy properties	**23.7**	4.3
Earnings before amortisation, interest, tax and adjusted items	**905.9**	1,086.7

	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
Group net assets per Consolidated Balance Sheet	**5,596.4**	5,656.6	5,631.3	5,589.7	5,452.1
Less:					
Other intangible assets per Consolidated Balance Sheet	**(194.9)**	(200.1)	(205.4)	(100.0)	(100.0)
Goodwill per Consolidated Balance Sheet	**(852.9)**	(852.9)	(852.9)	(805.9)	(805.9)
Current tax (assets)/liabilities	**(31.1)**	(0.1)	(9.9)	(13.7)	1.0
Deferred tax liabilities	**53.5**	44.0	45.1	9.9	8.9
Cash and cash equivalents	**(1,269.1)**	(1,166.5)	(1,352.7)	(1,336.3)	(1,518.6)
Loans and borrowings	**203.4**	202.0	217.3	208.7	205.3
Provisions in relation to legacy properties	**612.3**	485.3	479.5	73.6	67.6
Prepaid fees	**(3.7)**	(4.6)	(3.2)	(4.1)	(4.1)
Capital employed	**4,113.9**	4,163.7	3,949.1	3,621.9	3,306.3
Three point average capital employed	**4,075.6**		3,625.8		

	2023	2022
Earnings before interest, tax, adjusted items and defined benefit scheme charges (from table above) (£m)	**905.9**	1,086.7
Three point average capital employed (from table above) (£m)	**4,075.6**	3,625.8
ROCE	**22.2%**	30.0%

Underlying ROCE is calculated as ROCE (above) with net assets also adjusted for land payables:

	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
Capital employed (from ROCE table above)	**4,113.9**	4,163.7	3,949.1	3,621.9	3,306.3
Adjust for land payables	**506.7**	622.3	733.6	682.3	658.3
Capital employed adjusted for land payables	**4,620.6**	4,786.0	4,682.7	4,304.2	3,964.6
Three point average capital employed adjusted for land payables	**4,696.4**		4,317.2		

	2023	2022
Earnings before interest, tax and adjusted items (from table above) (£m)	**905.9**	1,086.7
Three point average capital employed adjusted for land payables (from table above) (£m)	**4,696.4**	4,317.2
Underlying ROCE	**19.3%**	25.2%

For the purpose of determining the Executive Directors' annual bonus (page 140), capital employed is adjusted for land, land payables, trade payables and, for 2023, inventories currently occupied under the refugee support scheme:

	30 June 2023 £m	31 December 2022 £m	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
Capital employed (from ROCE table above)	**4,113.9**	4,163.7	3,949.1	3,621.9	3,306.3
Adjust for land	**(3,139.9)**	(3,253.7)	(3,339.9)	(3,046.1)	(2,946.3)
Adjust for land payables	**506.7**	622.3	733.6	682.3	658.3
Adjust for trade payables	**310.3**	220.4	324.0	238.9	289.6
Adjust for inventories currently occupied under the refugee support scheme	**(11.0)**	-	-	-	-
Capital employed adjusted for land, land payables, trade payables and inventories currently occupied under the refugee support scheme	**1,780.0**	1,752.7	1,666.8	1,497.0	1,307.9
Three point average capital employed adjusted for land, land payables, trade payables and inventories currently occupied under the refugee support scheme	**1,733.2**		1,490.6		

Total indebtedness is defined as net (cash)/debt and land payables:

	2023	2022
Net cash (£m)	**(1,069.4)**	(1,138.6)
Land payables (£m)	**506.7**	733.6
Total indebtedness	**(562.7)**	(405.0)

TSR is a measure of the performance of the Group's share price over a period of three financial years. It combines share price appreciation and dividends paid to show the total return to the shareholders expressed as a percentage.

Five year record (unaudited)

Financial five year record	Note	2019	2020	2021	2022	2023
Private wholly owned home completions		13,533	9,568	13,134	13,327	**12,456**
Affordable wholly owned home completions		3,578	2,466	3,383	3,835	**3,922**
Wholly owned completions (homes)		17,111	12,034	16,517	17,162	**16,378**
Joint venture completions (homes)		745	570	726	746	**828**
Total home completions including JVs		17,856	12,604	17,243	17,908	**17,206**
Wholly owned completions average selling price (£000)		274.4	280.3	288.8	300.2	**319.6**
Revenue (£m)		4,763.1	3,419.2	4,811.7	5,267.9	**5,321.4**
Gross profit (£m)		1,084.2	614.3	1,010.0	899.9	**974.9**
Gross profit margin (%)		22.8%	18.0%	21.0%	17.1%	**18.3%**
Adjusted gross profit (£m)		1,087.4	631.4	1,114.7	1,308.1	**1,130.4**
Adjusted gross profit margin (%)		22.8%	18.5%	23.2%	24.8%	**21.2%**
Profit from operations (£m)		901.1	493.4	811.1	646.6	**707.4**
Operating profit margin (%)		18.9%	14.4%	16.9%	12.3%	**13.3%**
Adjusted profit from operations (£m)		904.3	507.3	919.0	1,054.8	**862.9**
Adjusted operating margin (%)		19.0%	14.8%	19.1%	20.0%	**16.2%**
Net finance costs (£m)		(28.8)	(29.9)	(26.6)	(27.6)	**(11.1)**
Share of post-tax income from joint ventures		39.2	28.3	27.7	23.3	**8.8**
Profit before tax		909.8	491.8	812.2	642.3	**705.1**
Adjusted profit before tax		920.0	505.7	919.7	1,054.8	**884.3**
Basic earnings per share (pence)		73.2	39.4	64.9	50.6	**53.2**
Adjusted earnings per share (pence)		74.1	40.5	73.5	83.0	**67.3**
Dividend (interim paid and final proposed) (pence)		29.1	—	29.4	36.9	**33.7**
Special cash payment proposed per share (pence)		17.3	—	—	—	**—**
Total shareholder return (TSR) over three financial years (%)		36.8%	6.1%	59.8%	(4.9%)	**10.6%**
Tangible shareholders' funds (£m)		3,953.9	3,931.9	4,545.1	4573.0	**4,548.6**
Tangible net assets per share at year end (pence)		388.8	386.1	446.3	447.2	**466.7**
Total shareholders' funds (£m)		4,869.0	4,840.3	5,452.1	5,631.3	**5,596.4**
Total net assets per share at year end (pence)		478.8	475.3	535.4	550.7	**574.2**
Year-end net (debt)/cash (£m)		765.7	308.2	1,317.4	1,138.6	**1,069.4**
Year-end total land payables (£m)		960.7	791.9	658.3	733.6	**506.7**
Year-end total net (indebtedness)/surplus (£m)		(195.0)	(483.7)	659.1	405.0	**562.7**
Average net cash across the financial year (£m)		298.3	348.3	821.0	957.4	**759.1**
Three point average capital employed (£m)		3,180.2	3,457.6	3,414.5	3,625.8	**4,075.6**
Return on capital employed (ROCE) (%)		29.9%	15.5%	27.8%	30.0%	**22.2%**
Total land investment (£m)	16	3,071.6	3,112.3	2,946.3	3,339.9	**3,139.9**
Proportion of total land investment funded by land creditors (%)		31.3%	25.4%	22.3%	22.0%	**16.1%**
Weighted average shares in issue during the year (m)		1,014.2	1,018.2	1,018.3	1,021.9	**1,000.1**
Weighted average shares in issue during the year less EBT (m)		1,010.4	1,013.9	1,016.4	1,018.7	**996.3**
Number of ordinary shares in issue at year end (m)	23	1,017.0	1,018.3	1,018.3	1,022.6	**974.6**

Non-financial five year record	2019	2020	2021	2022	2023
SHE audit compliance	96%	96%	97%	97%	**96%***
Injury Incidence Rate	297	256	416	262	**289***
Average training days per employee (days/employee)	4.7	4.1	3.9	3.3	**4.1**
Employee turnover (%)	16%	10%	12%	17%	**15%**
Employee engagement index (%)	84.5%	84.2%	N/A	79.4%	**84.4%**
Number of employees at 30 June	6,504	6,655	6,329	6,837	**6,728**
Proportion female (%)	31%	31%	31%	32%	**31%**
Graduates, apprentices and trainees on programmes	470	492	426	391	**483**
Number of senior managers	290	286	283	328	**331**
Proportion female (%)	15%	14%	16%	17%	**18%**
Number of PLC Directors	8	8	9	9	**8**
Proportion female (%)	38%	38%	44%	33%	**38%**
Legally completed build area ($100m^2$)	17,196	12,197	16,439	16,402	**15,609**
Carbon intensity (tonnes per $100m^2$ legally completed build area)	1.78	1.80	1.78	1.53	**1.60***
Waste intensity (tonnes per $100m^2$ legally completed build area)	6.53	7.70	5.89	4.97	**4.31***
Waste intensity (tonnes per $100m^2$ house build equivalent area)	6.25	6.93	6.29	4.83	**4.34***
Diversion of construction waste from landfill (%)	97%	96%	95%	96%	**96%***
Electricity on renewable tariffs (%)	46.0%	68.0%	72.0%	76.0%	**87.0%**
Average active sales outlets (inc. JVs)	379	366	343	352	**367**
Customer service (HBF Customer Satisfaction Survey)	5 star	5 star	5 star	5 star	**5 star**
NHBC Pride in the Job Awards (number awarded)	84	92	93	98	**96**
Owned and unconditional land bank (plots)	66,423	68,393	66,601	67,687	**59,248**
Conditional land bank (plots)	13,599	11,931	11,041	13,239	**11,142**
Owned and controlled land bank (plots)	80,022	80,324	77,642	80,926	**70,390**
JV owned and controlled land bank (plots)	5,207	5,400	4,661	4,548	**4,356**
Total owned and controlled land bank including JVs (plots)	85,229	85,724	82,303	85,474	**74,746**
Land bank years owned (years)	3.9	5.7	4.0	3.9	**3.6**
Land bank years controlled (years)	0.8	1.0	0.7	0.8	**0.7**
Land bank total years (owned and controlled) (years)	4.7	6.7	4.7	4.7	**4.3**
Average selling price of homes in land bank at year end (£000)	275	276	289	322	**331**
Land approvals (plots)	18,448	9,441	18,067	19,089	**(812)**
Land approvals (£m)	859.8	368.1	876.8	1,396.1	**(14.9)**
Planning consents secured in the year (plots)	18,280	14,768	14,280	14,988	**12,969**
Strategic land plots converted to owned and controlled land bank (plots)	7,915	3,137	3,507	1,663	**777**
Strategic land bank (acres)	11,995	13,271	13,754	15,537	**16,431**
Expenditure on physical improvement works benefitting local communities (£m)	506	477	572	699	**726**
School places provided (number)	3,894	2,211	3,591	5,346	**3,327**
Home completions from strategically sourced land (homes)	4,374	2,929	4,172	4,530	**3,938**
Proportion of home completions from strategically sourced land (%)	25.6%	24.3%	25.3%	26.4%	**24.0%**
Home completions using MMC (homes)	3,609	2,652	4,393	4,846	**5,578**
Proportion of home completions using MMC (%)	20.0%	21.0%	25.0%	27.0%	**32.0%**
Proportion of home completions using 2016 and later house type range (%)	36.4%	60.2%	65.3%	77.0%	**71.0%**
Proportion of home completions EPC rated "B" or above (%)	99%	99%	99%	99%	**99%**
Average DER for completed properties ($kgCO_2/m^2/yr$)	16.66	16.59	16.21	15.89	**16.02***
Average SAP rating of home completions	84	84	85	85	**85**

Note: additional granularity and more detailed sustainability metrics are available on our website at:
https://www.barrattdevelopments.co.uk/sustainability/performance-data/data

Deloitte have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected metrics in the above table identified with an *. For Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, our full Carbon Reporting Methodology Statement and a full breakdown of scope 3 GHG emissions, see our website www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications.

S G Financial Statements

Glossary

Act	The Companies Act 2006
Active outlet	A site with at least one plot for sale
AGM	Annual General Meeting
APM	Alternative performance measure
APPG	All-Party Parliamentary Groups
Articles	The Company's Articles of Association
ASP	Average selling price
Barratt	Barratt Developments PLC and its subsidiary undertakings
BEIS	Department for Business, Energy and Industrial Strategy
BNG	Biodiversity Net Gain
BRICk	Barratt Risk and Internal Control Framework
BREEAM	Building Research Establishment Environmental Assessment Methodology
Building for Life 12	This is the industry standard, endorsed by the government, for well-designed homes and neighbourhoods that local communities, local authorities and developers are invited to use to stimulate conversations about creating good places to live
Building regulations	The requirements relating to the erection and extension of buildings under UK Law
Capital employed	Average net assets adjusted for goodwill and intangibles, tax, cash, loans and borrowings, prepaid fees, provisions in respect of legacy properties and derivative financial instruments
CBI	Confederation of British Industry
CDP	Charity that runs the global system for disclosure of environmental impacts for investors, companies, cities, states and regions
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPD	Chartered Institute of Personnel and Development
CITB	Construction Industry Training Board
CMA	Competition and Markets Authority
Code	UK Corporate Governance Code issued in July 2018 (copy available from www.frc.org.uk)
COINS	Construction Industry Solutions (software used by the Group)
Connected Persons	As defined in the EU Market Abuse Regulation
COO	Chief Operating Officer
Contribution margin	Housebuild revenue less land and directly attributable build and site costs, divided by housebuild revenue
COVID-19	Coronavirus Disease 2019
CRM	Customer Relationship Management
DBP	Deferred Bonus Plan
DTRs	Disclosure Guidance and Transparency Rules
EBT	Barratt Developments Employee Benefit Trust
ELTIP	Employee Long-Term Incentive Plan
EMC	Ethnic Minority Communities
EPC	Energy Performance Certificate
EPS	Earnings per share
EQA	External Quality Assessment
ESG	Environmental, Social and Governance
EU	European Union
EWS	External Wall System
FCA	Financial Conduct Authority
FHS	Future Homes Standard
Foundation	The Barratt Developments PLC Charitable Foundation
FRC	Financial Reporting Council
FSC	Forest Stewardship Council
FTSE4Good	Equity index series of companies demonstrating strong ESG practices
FY	Financial year ended 30 June
GDP	Gross Domestic Product
Group	Barratt Developments PLC and its subsidiary undertakings
GHG	Greenhouse Gas
HBF	Home Builders Federation
HMRC	HM Revenue & Customs
HR	Human Resources
HVO	Hydrotreated Vegetable Oil
IA	Investment Association
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIR	Injury incidence rate
IIRC	International Integrated Reporting Council
IPA	Independent Project/Programme Assurance
IPCC	Intergovernmental Panel on Climate Change
<IR>	Integrated Report
ISA	International Standards on Auditing
ISAE	International Standard on Assurance Engagements
ISO	International Organisation for Standardisation
JVs	Joint ventures
KPI	Key performance indicator
LED	Light-emitting diode
LGBTQ+	Lesbian, gay, bisexual, transgender, queer and other gender expressions
lppd	Litres per person per day
LTPP	Long-Term Performance Plan
LTV	Loan to Value
MHCLG	Ministry of Housing, Communities and Local Government
MMC	Modern methods of construction
MP	Member of Parliament
MWh	Megawatt Hours
NED	Non-Executive Director
Net cash	Cash and cash equivalents, bank overdrafts, interest-bearing borrowings and prepaid fees
Net tangible assets	Group net assets less other intangible assets and goodwill
NGFS	Network for Greening the Financial System
NHBC	National House Building Council
NI	National Insurance
NPPF	The National Planning Policy Framework
Ofcom	The regulator and competition authority for the UK communications industries
OHSAS	Occupational Health and Safety Assessment Series
Operating margin	Profit from operations divided by revenue
Oregon	Oregon Timber Frame Limited and Oregon Timber Frame (England) Limited
Paris Agreement	International treaty on climate change adopted on 12 December 2015 and entered into force on 4 November 2016
PBT	Profit before tax
PEFC	The Programme for the Endorsement of Forest Certification
PwC	PricewaterhouseCoopers LLP
RCF	Revolving Credit Facility
REGO	Renewable Energy Guarantees of Origin
RIs	Reportable Items
ROCE	Return on capital employed calculated as described on pages 236 and 237
RPDT	Residential Property Developer Tax
RSPB	Royal Society for the Protection of Birds

Glossary continued

SAP	Standard Assessment Procedure -quantifies a dwelling's energy use per unit floor area
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
SDLT	Stamp Duty Land Tax
SECR	Streamlined Energy and Carbon Reporting
Sharesave	Savings-Related Share Option Scheme
SHE	Safety, Health and Environment
SHU	Sheffield Hallam University
SIC	Standing Interpretations Committee
Site ROCE	Site operating profit (site trading profit less allocated administrative overheads) divided by average investment in site land and work in progress
SONIA	Sterling Overnight Interest Average
SUDS	Sustainable Urban Drainage Systems
TCFD	Task Force for Climate-related Financial Disclosures
tCO_2e	Tonnes of carbon dioxide equivalent
Total completions	Unless otherwise stated, total completions quoted include JVs
Total indebtedness	Net debt/(cash) and land payables
TSR	Total shareholder return
Underlying ROCE	ROCE as defined on pages 236 and 237, with net assets also adjusted for land payables
UN SDGs	United Nations Sustainable Development Goals
USPP	US Private Placement
VAT	Value Added Tax
WIP	Work in progress

Integrated reporting approach

Reporting approach

Our integrated report is primarily prepared for our shareholders; however, through our activities we create value for a range of other stakeholders.

Reporting frameworks

Our integrated reporting is guided by various codes and standards outlined in the table here.

Report scope and boundary

Our Integrated Report covers the performance of Barratt Developments PLC for the financial year ended June 2023.

The report extends beyond financial reporting and includes non-financial performance, opportunities and risks that may have a significant influence on our ability to create value.

Integrated reporting framework

The primary purpose of an integrated report is to explain to providers of financial capital how an organisation creates value over time. An integrated report benefits all interested stakeholders including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

The IIRC's vision is to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

Sustainability frameworks

Framework

The International Integrated Reporting Council's Integrated Reporting

Purpose

Framework that is focused on articulating the value creation of an entity over time.

Framework

United Nations Sustainable Development Goals

Purpose

Outward-looking framework that covers the areas of the UN's 2030 Agenda focused on people, planet and prosperity.

The 17 UN SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets.

The UN SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. The UN SDGs were launched in 2015 by the UN.

Framework

Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Purpose

Recommendations for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change.

Our primary disclosures aligning with TCFD recommendations as we continue on our journey towards full alignment, are made through the CDP Climate survey, which we submit on an annual basis. In 2018 the CDP Climate Survey format was aligned to TCFD recommendations. Other TCFD related disclosures can be found within the content of this integrated report, and on the sustainability section of our corporate website.

Legal requirements

Framework

International Financial Reporting Standards (IFRS)

Purpose

Global framework for how companies prepare and disclose their financial statements.

Framework

Companies Act 2006

Purpose

Company law in the UK.

Framework

UK Corporate Governance Code

Purpose

The standards of good practice for listed companies on board composition and development, remuneration, shareholder relations, accountability and audit.

Framework

Streamline Energy and Carbon Reporting (SECR)

Purpose

Disclosures required by the UK Government on a company's energy consumption and greenhouse gas emissions.

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Company information
Registered in England and Wales.

Company number 00604574

Financial calendar

Announcement	
2023 Annual General Meeting and Trading update	18 October 2023
2024 Interim Results Announcement	7 February 2024
2024 Annual Results Announcement	4 September 2024

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BARRATT
DEVELOPMENTS PLC

2 August 2023
Taylor Wimpey plc
Half year results for the period ended 2 July 2023

Resilient first half performance with completions slightly ahead of our expectations

Jennie Daly, Chief Executive, commented:

"The first half of the year has been characterised by variable market conditions including substantially higher mortgage rates. While this has inevitably impacted our results, I am pleased that we have delivered a resilient performance with first half completions slightly ahead of our expectations. This performance is testament to the hard work of our teams on the ground and our strong focus on operational excellence and tight cost management.

As we move into the second half of the year, our focus remains on optimising all areas of our operations as we continue to support our customers during this uncertain period. With a healthy orderbook and strong underlying interest for our well-located, high-quality homes, we expect full year UK completions excluding joint ventures to be in the range of 10,000 to 10,500, the upper end of our previous guidance.

Taylor Wimpey is a strong, sustainable and agile business underpinned by a robust balance sheet and an excellent landbank. We remain well positioned to manage the business through near term challenges while maximising value in the medium to long term."

Group financial highlights:

	H1 2023	**H1 2022**	**Change**	**FY 2022**
Revenue £m	1,637.1	2,076.8	(21.2)%	4,419.9
Operating profit* £m	235.6	424.6	(44.5)%	923.4
Operating profit margin*†	14.4%	20.4%	(6.0)ppt	20.9%
Profit before tax and exceptional items £m	237.7	414.5	(42.7)%	907.9
Profit before tax £m	237.7	334.5	(28.9)%	827.9
Basic earnings per share pence	5.0	7.2	(30.6)%	18.1
Adjusted basic earnings per share pence††	5.0	9.0	(44.4)%	19.8
Tangible net assets per share pence†	126.7	120.0	5.6%	126.5
Net cash £m ‡	654.9	642.4	1.9%	863.8
Return on net operating assets**	19.7%	24.4%	(4.7)ppt	26.1%

Key highlights:

- Group completions of 5,120 homes (H1 2022: 6,922)
- Group operating profit margin of 14.4% (H1 2022: 20.4%), reflecting a lower level of completions and the impact of build cost inflation which was not fully offset by house price inflation for the period
- Announced 2023 interim dividend of 4.79 pence per share (H1 2022: 4.62 pence per share) amounting to £169 million (H1 2022: £163 million), in line with our stated Ordinary Dividend Policy to return 7.5% of net assets annually
- Full year UK completions excluding JVs now expected to be in the range of 10,000 to 10,500, at the upper end of our previous guidance with full year Group operating profit including JVs expected to be between £440 million and £470 million
- Ended the period with net cash of £654.9 million (H1 2022: £642.4 million)
- Renewed revolving credit facility in July 2023, increasing it to £600 million and extending maturity to July 2028. The new facility includes sustainability linked performance measures

First half UK operational highlights:

- Delivered a net private sales rate of 0.71 (H1 2022: 0.90) for the first half, which was 0.62 excluding bulk deals (H1 2022: 0.88)
- Total order book representing 7,866 homes, excluding joint ventures, with a value of £2,147 million as at 2 July 2023 (3 July 2022: 10,102 homes with a value of £2,800 million)
- Total UK average selling price increased by 6.7% to £320k (H1 2022: £300k), reflecting house price growth and positive mix impacts
- Operated from 244 average outlets during the period (H1 2022: 228) and ended the period with 235 outlets (H1 2022: 233)
- Short term landbank as at 2 July 2023 of c.83k plots (31 December 2022: c.83k plots) in high-quality locations where customers want to live
- Strategic land pipeline of c.140k potential plots (31 December 2022: c.144k potential plots)
- Further improved quality with average Construction Quality Review score of 4.90 (H1 2022: 4.77)

Sustainable, responsible business:

- Published our Net Zero Transition Plan in March 2023 outlining the steps we will take to be net zero by 2045, five years ahead of the Government's target
- Successfully launched our zero carbon ready homes trial in Sudbury, the first of its kind on a live development site
- Continued focus on health and safety with rolling 12 months[†***] Injury Incidence Rate (per 100,000 employees and contractors) of 136 (H1 2022: 212)
- Highly experienced build teams with 51 of our Site Managers winning NHBC Pride in the Job Quality Awards
- Major contributor to the regions in which we operate generating employment and investing £210 million in local communities via planning obligations (H1 2022: £218 million)
- Five-star builder and 90% of customers would recommend Taylor Wimpey according to the Home Builders Federation (HBF) 8-week customer satisfaction survey (H1 2022: 92%) and retained a 4 out of 5 star rating on Trustpilot
- Continued to work on fire safety remediation and signed the Scottish Safer Buildings Accord. Our existing total provision of £245 million remains unchanged

Resilient performance against a variable market backdrop

In the first half, we continued to drive performance across the business and have delivered completions slightly ahead of our expectations, against a variable market backdrop. We saw an encouraging start to the year with demand in the traditionally strong spring selling season recovering from the low levels of Q4 2022 and with mortgage rates reducing from the highs of late 2022.

However, market conditions weakened in the second quarter as the Bank of England responded to higher than expected inflation by increasing the base rate from 4.5% to 5% in June, which drove an increase in the cost of mortgages towards the end of the half. We are working to proactively support our customers through changing market conditions, utilising our Microsoft Dynamics customer relationship management system (CRM) to drive further enhancements in the sales process.

Against a challenging market we have delivered a robust sales rate of 0.71 (H1 2022: 0.90) reflecting our high-quality locations, the hard work of our teams, and our focus on effective customer engagement. Excluding bulk deals, our net private sales rate for the first half was 0.62 (H1 2022: 0.88).

We have maintained our commitment to operational excellence, tightly controlling costs whilst continuing to invest in the long term sustainability of the business, for example in developing zero carbon ready homes.

UK current trading and outlook

For the four weeks ended 30 July 2023, at the start of the seasonally quieter third quarter, our net private sales rate was 0.47 per outlet per week (2022 equivalent period: 0.57). The cancellation rate for the same period was 24% (2022 equivalent period: 19%).

As at the week ended 30 July 2023, our total order book value was £2,175 million (2022 equivalent period: £2,893 million), excluding joint ventures, representing 7,900 homes (2022 equivalent period: 10,392 homes), of which 77% are exchanged (2022 equivalent period: 77%).

Whilst increased mortgage costs are impacting affordability for our customers, we continue to see strong underlying interest. However, reservations are below the levels we have experienced in recent years. Pricing has remained resilient, and the level of down valuations continues to be low. Our focus remains on building as strong an order book as possible to allow us to optimise price going into 2024.

In terms of costs, we have seen some moderation in the rate of material and labour cost inflation, with prevailing annualised build cost inflation on new tenders now around 6% compared to around 9-10% at the start of the year. We expect to continue to see inflation moderate as the year progresses.

Planning remains extremely challenging and is likely to impact the future delivery of new homes across our industry. Our experienced teams continue to work hard to progress our land through the planning stages.

We expect full year UK completions excluding joint ventures to be in the range of 10,000 to 10,500, at the upper end of our previous guidance and we expect Group operating profit including joint ventures to be in the range of £440 million to £470 million. Our 2023 year end net cash balance is anticipated to be in the range of £500 million to £650 million.

Looking ahead, we remain well positioned with a strong balance sheet, high-quality landbank in desirable locations where our customers want to live, and strong and experienced teams. Our differentiated Ordinary Dividend Policy based on returning 7.5% of net asset value is also designed to give investors increased certainty of a reliable income stream throughout the cycle.

- Ends –

A presentation to investors and analysts will be hosted by Chief Executive Jennie Daly and Group Finance Director Chris Carney at 8:30am on Wednesday 2 August 2023. This presentation will be webcast live on our website: www.taylorwimpey.co.uk/corporate

An on-demand version of the webcast will be available on our website in the afternoon of 2 August 2023.

For further information please contact:

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Notes to editors:

Taylor Wimpey plc is a customer-focused homebuilder, operating at a local level from 22 regional businesses across the UK. We also have operations in Spain.

For further information please visit the Group's website: www.taylorwimpey.co.uk

Follow us on Twitter @TaylorWimpeyplc

<u>Overview: optimising performance in a challenging market</u>

The UK housing market experienced changing conditions during the first half of 2023. In the early months, there were signs of stabilisation with mortgage rates reducing from the highs of late 2022 and an encouraging improvement in our sales rates compared to the prior quarter. In the second quarter, higher than expected inflation led the Bank of England to raise interest rates. Against this backdrop, lenders raised their mortgage rates impacting the cost of borrowing for our customers.

Throughout this period, we have maintained a strong operational focus and delivered a resilient financial performance for the first half of 2023 with Group completions slightly ahead of our expectations. Group completions, excluding joint ventures, were 5,082 (H1 2022: 6,790), with total Group revenue of £1,637.1 million (H1 2022: £2,076.8 million). Group operating profit was £235.6 million (H1 2022: £424.6 million), with an operating profit margin of 14.4% (H1 2022: 20.4%), reflecting lower completions and the impact of increased build cost inflation which was not fully offset by house price growth in the period. Profit for the half year was £175.7 million (H1 2022: £260.7 million).

We ended the period with net cash of £654.9 million (H1 2022: £642.4 million), after returning £168.8 million in cash to investors by way of dividend.

As previously announced, we underwent a change programme at the start of the year which will reduce annualised overheads by £19 million, and we maintain tight control on discretionary spend across the business.

We continue to work hard to support our customers in these uncertain times, responding proactively with our customer proposition and to the change in circumstances for first time buyers. We have also trained our staff to enable them to operate more effectively in a challenging landscape which has positioned us well for the current market.

In particular, our teams have worked closely with our customers utilising our CRM system to better understand their requirements. This has enabled higher quality lead generation and greater ability to respond to customer preferences by our sales teams.

More of our customers are adapting to the challenging backdrop by extending their mortgage terms. For example, according to data provided by an independent financial advisor relating to H1 2023, 27% of our first time buyers are taking mortgage terms of over 36 years compared to 7% in 2021. For second time buyers, those taking out mortgages with durations of over 30 years has increased to 42%, compared to 28% in 2021.

We are closely monitoring the market and while incentives are at around 5%, we have maintained pricing discipline.

The planning backdrop remains extremely challenging and is likely to impact industry delivery of new homes. There continues to be widespread bottlenecks in an under resourced planning system leading to a significant backlog of applications. Our experienced teams continue to work hard to progress our land through the planning stages.

We remain active in reviewing opportunities, though highly selective in our land additions and, as a result, approved c.1.4k plots during the first half of 2023 (H1 2022: c.7k plots).

We operated from an average of 244 outlets during the period (H1 2022: 228), ending the period with 235 outlets (H1 2022: 233). Going forward, outlet numbers will reflect the planning backdrop, and our appetite to add new land.

As we look further ahead, we continue to operate our business to create and protect long term stakeholder value, enhancing and developing value from our strong landbank and developing the homes of the future to ensure we are playing our part in tackling climate change. During the period we have developed the industry's first research concept testing low carbon technologies through multi-specification prototype homes on a live development site.

We continued to progress our timber frame factory in Peterborough during the first half, which is currently being fitted out, with production due to commence later in the year with first kits delivered to sites early next year. We also continue to seek further cost efficiencies in central procurement through our strategy of standardisation and simplification and by leveraging Taylor Wimpey Logistics (TWL).

There remains a major supply and demand imbalance in UK housing, with significant underlying demand for new homes. Taylor Wimpey has an important role to play in addressing the shortfall in housing and the medium to long term market opportunity remains highly attractive. Taylor Wimpey is a strong, sustainable and agile business with a sharp operational focus, strong balance sheet and an excellent, well-located landbank. We are well positioned to manage the business through near term challenges while maximising value in the medium to long term.

Four cornerstones of strategy

As previously stated, our strategy is built on four strategic cornerstones ensuring an agile response to market conditions and investment in the long term sustainability of the business:

1. Optimising value from our high-quality owned and controlled landbank and strategic land pipeline

2. Driving operational excellence through our business to improve efficiency, protect value and ensure Taylor Wimpey is fit for the future

3. Embedding sustainability across the Group for the benefit of all our stakeholders

4. Delivering reliable investor returns with a clear and disciplined framework, balancing investment for future value creation with returning value to shareholders

Delivering on our 2023 priorities

In our full year announcement in March, we outlined our priorities for 2023. These have been communicated to all our employees by our Chief Executive and members of the senior management team in a Company-wide roadshow, and are understood throughout the business:

- Continue to develop and evolve our customer offering ensuring an appropriate balance between sales rate and price, whilst further improving customer service
- Continue to ensure tight cost management and work in progress (WIP) control, aligning build to sales rates on a site-by-site basis
- Focus on building a strong order book to allow us to optimise price going into 2024
- Further step up our efforts and focus on implementation and communication of our Net Zero Transition Plan across our business

Customers

Delivering build quality consistently remains key to customer satisfaction and we improved our average CQR score to 4.90 (H1 2022: 4.77) and had the highest compliance score of the volume housebuilders. Our site teams have continued to perform strongly against a challenging backdrop in recent years and we are proud that in June 2023, 51 of our Site Managers won NHBC Pride in the Job Quality Awards.

We were pleased to have been recognised as a five-star builder in the latest 8-week customer satisfaction survey by the HBF in March 2023, covering the 12 months from October 2021 to September 2022. Our average 8-week customer satisfaction survey score for the first half of 2023 was 90% (H1 2022: 92%). We recognise that there are areas where we can do better and improving our customer service continues to be a key area of focus for us this year, in particular targeting improvements in our responsiveness to customer issues.

We encourage customers to leave reviews on Trustpilot and have maintained our 4 out of 5-star status on Trustpilot with a TrustScore of 3.9 out of 5 as at 30 June 2023.

Our continuous improvement initiative for our sales and customer service activities, includes optimising the use of our CRM system to target benefits for sales and customer service such as improved monitoring and responsiveness as well as enhanced management information in relation to our customer service.

In the interests of improved delivery for our customers we have also agreed new scope of work contracts with all our subcontractors that establish higher standard service level agreements (SLAs). This will ensure that there is greater clarity and consistency of service levels from our subcontractors that aligns with our values and should result in a better level of service and responsiveness for our customers. This will free up time for our site teams, improve quality assurance and cost savings, along with providing greater certainty of budgets, enabling our teams to focus on the absorption of additional workload associated with legislative changes and transition of early customer care responsibility.

Through the first half we proactively engaged with the Competition and Markets Authority (CMA) on its housing market study.

Operational discipline and cost management

Since last year we have tightened the thresholds for the release of working capital to ensure that we are aligning our investment to current levels of demand in order to protect value. This has been communicated throughout the business and all our employees understand the need to minimise costs in the current environment.

Our focus on operational excellence and cost efficiency spans all areas of our operations, including design, procurement, production, and sales. We have worked to continually improve management information for our teams to ensure we are benchmarking costs across the business and have a consistent approach and guidance on price negotiations. This includes increased checks and automatic notifications at various stages of our processes.

We continue to target savings in procurement through standardisation to help offset build cost increases as well as the consolidation of stock keeping units, resulting in savings from stock efficiency, benefits in installation, and increasing economies of scale and are working hard with our partner suppliers on value improvement initiatives. This includes driving synergies with our internal logistics business, TWL.

We launched our suburban standard apartment range at the beginning of May 2023 that will drive savings over the next three to four years. These will also result in improved quality, a more consistent customer offering, more efficient use of land and better planning outcomes.

Taken together, small incremental changes in our operations are driving meaningful efficiencies throughout the business and we are constantly assessing new products and ways of working across our sites. For example, we now use a proprietary reusable stairwell system (which covers the gap in the stairwell to safely allow work to be completed on upper floors at early build stages) which reduces timber waste and delivers efficiencies.

Building a strong order book

Our focus remains on building as strong an order book as possible to allow us to optimise price going into 2024. While our teams are focused on optimising sales, they understand the importance that price discipline and building our forward order book play in protecting value.

Net zero

For Taylor Wimpey, sustainability is a business imperative. In March, we delivered our Net Zero Transition Plan and this year we are prioritising its communication and implementation across the business. The plan will see us become net zero in our operations by 2035 and across our value chain by 2045, five years ahead of the Government's target.

A key stage of this plan is delivering zero carbon ready homes in time to meet Future Homes Standard regulation due in 2025. The regulation will see us delivering a 75-80% carbon reduction from homes in use, compared to the previous standard.

We recently launched our pilot homes testing possible solutions for the Future Homes Standard on a site in Sudbury. This is the industry's first research concept testing low carbon technologies through multi-specification prototype homes on a live development site. The prototypes are helping identify new ways to increase the energy efficiency of our homes as well as identifying and overcoming the challenges to achieve this at scale. The homes were completed by Taylor Wimpey employees and our subcontract partners to allow us to best capture the lessons learned in making our homes net zero ready. These homes are providing invaluable insights into the best methods for incorporating the requirements of the Future Homes Standard well ahead of its implementation.

In June 2023, we were pleased to host investors and analysts on a site visit to the Sudbury trial plots and a series of further stakeholder visits are taking place over the coming weeks. There will then be a period of assessment and testing before the homes are marketed for sale to customers later this year. The performance of the homes will continue to be monitored following sale, allowing us to collate valuable data and customer feedback.

We will continue to innovate and work with our supply chain partners, trialling new low carbon products and fabrics as part of our coordinated R&D approach to preparing our business for the 2025 Future Homes Standard.

Returns to shareholders

We have an established, differentiated Ordinary Dividend Policy aimed at providing investors with visibility of the income stream they can expect throughout the cycle including during a normal downturn, via an ordinary cash dividend. Our Ordinary Dividend Policy is to pay out 7.5% of net assets or at least £250 million annually throughout the cycle. This policy has been stress tested to withstand conditions beyond what we would consider a normal downturn, including up to a 20% fall in house prices and 30% decline in volumes. In line with our Ordinary Dividend Policy, we today announce a 2023 interim dividend of 4.79 pence per share payable in November.

Operational review

Our operational review is for the UK only as the majority of metrics do not apply to our Spanish business. A short summary of the Spanish business follows in the Group financial review. The financial analysis is presented at Group level, which includes Spain, unless otherwise indicated.

Joint ventures are excluded from the operational review and Group financial review, unless stated otherwise.

Our key performance indicators (KPIs)

UK	H1 2023	H1 2022	Change	FY 2022
Land				
Land cost as % of ASP on approvals	12.9%	20.8%	(7.9)ppt	19.0%
Landbank years	c.7.0	c.6.5	7.7%	c.6.0
% of completions from strategically sourced land	46%	47%	(1)ppt	52%
Operational excellence				
Construction Quality Review (average score / 6)	4.90	4.77	2.7%	4.81
Average reportable items per inspection	0.28	0.28	-	0.32
Health and Safety Injury Incidence Rate (per 100,000 employees and contractors) rolling 12 months	136	212	(35.8)%	166
Employee engagement (annual survey)	-	-	-	93%
Sustainability				
Customer satisfaction 8-week score 'Would you recommend?'	90%	92%	(2)ppt	90%
Customer satisfaction 9-month score 'Would you recommend?'	79%	78%	1ppt	78%
Reduction in operational carbon emissions intensity (measured at end of year)	-	-	-	15%

N.B. The 8-week 'would you recommend' score for H1 2023 relates to customers who legally completed between October 2022 and March 2023 with the comparator relating to the same period 12 months prior. The 9-month 'would you recommend' score for H1 2023 relates to customers who legally completed between October 2021 and March 2022, with the comparator relating to the same period 12 months prior.

Resilient first half operational performance against mixed backdrop

Total home completions (excluding joint ventures) were 4,854 (H1 2022: 6,587). This included 1,111 affordable homes (H1 2022: 1,450), equating to 22.9% of total completions (H1 2022: 22.0%).

Our net private sales rate for the first half of the year was 0.71 homes per outlet per week (H1 2022: 0.90). The cancellation rate in the first half was 16% (H1 2022: 15%). Average selling prices on private completions increased by 8.6% to £366k (H1 2022: £337k), reflecting house price inflation and positive mix impacts. Our total average selling price increased by 6.7% to £320k (H1 2022: £300k), reflecting a slightly higher proportion of affordable sales in the total than the comparable period.

We have a wide range of products from one-bedroom apartments to five-bedroom homes. First time buyers accounted for 35% of total private reservations in the first half of 2023 (H1 2022: 43%). Investor sales continued to be at a low level at 3% (H1 2022: 6%).

As at H1 2023, our order book represented 7,866 homes (H1 2022: 10,102 homes) with an order book value of £2,147 million (H1 2022: £2,800 million), excluding joint ventures. Our affordable order book stood at 4,190 homes at H1 2023 (H1 2022: 4,528 homes).

During the first half of 2023 we opened 13 new outlets (H1 2022: 50), reflecting our reduced land buying and owing to the difficulties in the planning system.

A strong and differentiated landbank

We have an excellent short term landbank and strategic land pipeline.

Land market conditions remain challenging, and we continue to be cautious in our approach.

As at 2 July 2023 our short term landbank stood at c.83k plots (H1 2022: c.88k plots). The average cost of land as a proportion of average selling price within the short term owned landbank remains low at 13.3% (H1 2022: 14.3%). The estimated average selling price in the short term owned landbank in H1 2023 was £343k (H1 2022: £311k).

Our strategic pipeline stood at c.140k potential plots as at 2 July 2023 (31 December 2022: c.144k potential plots). During the first six months of 2023 we converted a further c.6k plots from the strategic pipeline to the short term landbank (H1 2022: 847 plots). In the period, 46% of our completions were sourced from the strategic pipeline (H1 2022: 47%).

Land cost as a percentage of average selling price on approvals decreased to 12.9% in the period (H1 2022: 20.8%) reflecting our highly selective approach to land acquisition.

Planning remains extremely challenging and is likely to impact industry delivery of new homes. There continue to be widespread bottlenecks in an under resourced planning system leading to a significant backlog of applications.

Our teams continue to work hard to progress our land through the planning stages. We are in a strong position to navigate these challenges given the strength and depth of our landbank and high visibility of our future pipeline.

Employees

The health and safety of individuals on our sites will always be our number one priority. Our Injury Incidence Rate (IIR) for reportable injuries per 100,000 employees and contractors to 2 July 2023 on a rolling 12 month basis was 136 (2022 equivalent period: 212). We continue to seek ways to further improve our safety performance across all sites and functions.

Our highly engaged and talented employees are key to driving our business forward. Our industry is facing a skills shortage so attracting and retaining high calibre people is a strategic imperative.

We have continued to focus on good communication throughout the business, a priority identified by our employees in the latest employee survey, building on our culture and making sure all teams are fully up to date on our progress and aligned on our goals. In May, our Chief Executive conducted an all-employee roadshow to update on progress against the business priorities and focus areas to improve operational and financial performance.

We continue to improve the accessibility of our learning and development (L&D) resources for all employees and actively encourage their development. The L&D resources are available to all employees on our Intranet alongside details of the opportunities and resources that are available for different career pathways, and how to access them. We have launched a Line Manager Development Programme, offering a wider range of development pathways, for various career stages.

Following the release of our first Equality Diversity and Inclusion (EDI) report in March, we conducted our fourth annual EDI conference in July, which was held virtually to allow all employees to attend. The theme of the conference was ‘Action Changes Things’ and internal and external presenters covered a wide range of topics to provide real and practical information that employees could take away and action.

Creating thriving communities

Our purpose is to build great homes and create thriving communities. Achieving our purpose means building homes and places that enhance people’s quality of life, foster local community relationships and which bring economic growth and skilled employment. The housebuilding sector is a key creator of jobs and economic activity throughout the country. We make a major contribution to the regions in which we operate directly through the employment created on our sites and indirectly through the economic benefit our activities generate for the wider supply chain such as shops, leisure, places of employment and other industries that benefit from our operations.

We prioritise engaging with local communities as part of the planning and construction process and strive to make a positive impact in the wider community. In the first half of 2023, through our planning obligations, we have contributed £210 million to the local communities in which we build (H1 2022: £218 million) which provides vital local infrastructure, affordable homes, public transport and education facilities. In H1 2023 we donated and fundraised over £0.6 million for charities and local community causes.

Fire safety

The safety of our customers is of paramount importance, and we have always been guided by this principle. It is our long held view that leaseholders should not have to pay for the cost of fire safety remediation and our priority has always been to ensure that customers in Taylor Wimpey buildings have a solution to cladding remediation. We took early and proactive action, committing significant funding and resources to address fire safety and cladding issues on all affected Taylor Wimpey apartment buildings.

In 2022, we signed up to the Government's Building Safety Pledge for Developers and the Welsh Government Building Safety Developer Remediation Pact which reaffirmed our commitment that leaseholders should not have to pay for fire safety remediation. In the first half of 2023 we also signed the Scottish Safer Buildings Accord.

Prior to signing these, we had already begun working on affected Taylor Wimpey buildings and we have provided a total of £245 million for fire safety remediation works on buildings constructed by Taylor Wimpey since 1992.

During the first half we continued to progress work with building owners, management companies and leaseholders and we remain committed to resolving these issues as soon as practicable for our customers.

Group financial review

Income statement

Group revenue was £1,637.1 million in the first half of 2023 (H1 2022: £2,076.8 million), with Group completions, excluding JVs, being 25.2% lower at 5,082 (H1 2022: 6,790) following a slow down in the UK housing market during the latter half of 2022. UK average selling price on private completions increased by 8.6% to £366k (H1 2022: £337k), due to both house price inflation and positive mix. The increase in total UK average selling price was 6.7% to £320k (H1 2022: £300k) as a result of the greater proportion of affordable housing in H1 2023 (23%) than the prior period (H1 2022: 22%), and a decrease in the UK average selling price on affordable housing to £166k (H1 2022: 169k).

Group gross profit decreased to £353.9 million (H1 2022: £524.5 million), representing a gross margin of 21.6% (H1 2022: 25.3%) with fixed build and selling costs being absorbed across fewer completions.

Net operating expenses were £118.0 million (H1 2022: £189.9 million), the comparative including £80.0 million of exceptional costs relating to the cladding fire safety provision following the signing of the Government's Building Safety Pledge for Developers in April 2022, with no such amount in the current half. Excluding exceptional costs the net operating expenses were £118.0 million (H1 2022: £109.9 million), which was predominantly made up of administrative costs of £116.5 million (H1 2022: £111.3 million). The increase in administrative costs over the comparative period was driven mainly by the non-recurring costs associated with the change programme announced earlier in the year, which totalled £8 million, and the annual pay review process, partially offset by a portion of the savings associated with the change programme. This resulted in a profit on ordinary activities before financing of £235.9 million (H1 2022: £334.6 million), £235.9 million (H1 2022: £414.6 million) excluding exceptional items.

During the period, completions from joint ventures were 38 (H1 2022: 132). The lower level was a result of both the current market and the status of the joint ventures' developments. As a result of the decreased joint venture completions our share of joint ventures' results in the period was a £0.3 million loss (H1 2022: £10.0 million profit). When including this in the profit on ordinary activities before financing the resulting operating profit was £235.6 million (H1 2022: £424.6 million), delivering an operating profit margin of 14.4% (H1 2022: 20.4%). The total order book value of joint ventures as at 2 July 2023 decreased to £22 million (31 December 2022: £26 million), representing 40 homes (31 December 2022: 56).

The net finance income of £2.1 million (H1 2022: £10.1 million expense) principally includes imputed interest on land acquired on deferred terms, bank interest and interest on the pension scheme, all being more than offset by interest earned on deposits following the increase in interest rates.

Profit on ordinary activities before tax decreased to £237.7 million (H1 2022: £334.5 million). The total tax charge for the period was £62.0 million (H1 2022: £73.8 million), a rate of 26.1% (H1 2022: 22.1%), the prior period included a credit of £17.6 million in respect of the exceptional charge recognised in that period and a £1.7 million credit arising from the remeasurement of the Group's UK deferred tax assets following the introduction of the new Residential Property Developer Tax. The pre-exceptional tax charge was £62.0 million (H1 2022: £91.4 million) representing an underlying tax rate of 26.1% (H1 2022: 22.1%).

As a result, profit for the period was £175.7 million (H1 2022: £260.7 million).

Basic earnings per share was 5.0 pence (H1 2022: 7.2 pence). The adjusted basic earnings per share was 5.0 pence (H1 2022: 9.0 pence).

Spain

Our Spanish business primarily sells second homes to European and other international customers, with a small proportion of sales being primary homes for Spanish occupiers. The business completed 228 homes (H1 2022: 203) with average selling price reducing to €374k (H1 2022: €391k), due to regional mix. The total order book as at 2 July 2023 increased marginally to 451 homes (31 December 2022: 448 homes).

Gross margin was flat at 29.8% (H1 2022: 29.7%), this flowed through to an operating profit of £19.7 million (H1 2022: £18.0 million) and an operating profit margin of 26.6% (H1 2022: 26.7%).

The total plots in the landbank stood at 2,350 (31 December 2022: 2,544), with net operating assets** at £80.7 million (31 December 2022: £89.8 million).

Balance sheet

Net assets at 2 July 2023 increased marginally to £4,509.2 million (31 December 2022: £4,502.1 million), with net operating assets increasing by £223.2 million (6.2%) to £3,842.7 million (31 December 2022: £3,619.5 million). Return on net operating assets decreased to 19.7% (3 July 2022: 24.4%) following the reduction in Group operating profit in the period coupled with the increase in average net operating assets over the 12 month period ended 2 July 2023, compared with the prior 12 month period. Group net operating asset turn[†*] was 1.07 times (3 July 2022: 1.23).

Land

Land as at 2 July 2023 decreased by £66.2 million in the period to £3,362.1 million as the cautious and opportunistic approach to acquiring new land continued throughout the period resulting in land creditors decreasing to £588.0 million (31 December 2022: £725.6 million). Included within the gross land creditor balance is £44.0 million of UK land overage commitments (31 December 2022: £43.0 million). £356.1 million of the land creditors is expected to be paid within 12 months and £231.9 million thereafter.

As at 2 July 2023 the UK short term landbank comprised 83,411 plots (31 December 2022: 82,830), with a net book value of £2.9 billion (31 December 2022: £2.9 billion). Short term owned land comprised £2.9 billion (31 December 2022: £2.8 billion), representing 62,726 plots (31 December 2022: 63,088). The controlled short term landbank represented 20,685 plots (31 December 2022: 19,742).

The value of long term owned land decreased to £245 million (31 December 2022: £311 million), representing 34,344 plots (31 December 2022: 36,646), with a further total controlled strategic pipeline of 105,990 plots (31 December 2022: 107,739). Total potential revenue in the short and long term owned and controlled landbank increased to £62 billion in the period (31 December 2022: £61 billion).

Work in progress (WIP)

Total WIP investment, excluding part exchange and other, increased to £1,906.6 million (31 December 2022: £1,725.9 million) due to build cost inflation and completions weighted to the second half of the year. This also resulted in average WIP per UK outlet to increase to £7.8 million (31 December 2022: £6.4 million).

Provisions and deferred tax

Provisions decreased to £288.0 million (31 December 2022: £290.3 million) following utilisation of the cladding fire safety provision (£6.9 million) as works have been carried out as well as utilisation of the Ground Rent Review Assistance Scheme ('GRRAS') provision (£1.1 million). Provision utilisation was partially offset by increases in other provisions which largely relate to remedial works on a limited number of sites around the Group.

Our net deferred tax asset of £22.6 million (31 December 2022: £26.0 million) relates to our pension deficit, UK provisions that are tax deductible when the expenditure is incurred, and the temporary differences of our Spanish business, including brought forward trading losses.

Pensions

As a result of the 31 December 2019 triennial valuation, a funding arrangement was agreed with the Trustee of the Taylor Wimpey Pension Scheme ('TWPS') that committed the Group to paying up to £20.0 million per annum into an escrow account between April 2021 and March 2024. Following an initial contribution totalling £10.0 million all further payments into the escrow account are subject to a quarterly funding test, effective from 30 September 2021. Should the TWPS Technical Provisions funding position at any quarter end be 100% or more, payments into the escrow account are suspended and would only restart should the funding subsequently fall below 98%. The funding test at 30 September 2021 showed a funding level of 103% and has remained above 100% since then and therefore escrow payments were suspended on, and from, 1 October 2021.

The Group continues to provide a contribution for Scheme expenses (£2.0 million per year) and also makes contributions via the Pension Funding Partnership (£5.1 million per year). Total Scheme contributions and expenses in the period were £6.1 million (H1 2022: £6.1 million) with no further amounts paid into the escrow account (H1 2022: nil). Further payments into escrow are subject to quarter-end funding tests and would amount to an additional £5.0 million being paid into escrow each quarter if the funding test is not met at the respective quarter end. The most recent funding test at 30 June 2023 showed a surplus of £51 million and a funding level of 103% and as a result no payment into escrow is due in the third quarter of 2023.

At 2 July 2023, the IAS 19 valuation of the Scheme was a surplus of £95.6 million (31 December 2022: £76.6 million). Due to the rules of the TWPS, any surplus cannot be recovered by the Group and therefore a deficit has been recognised on the balance sheet under IFRIC 14. The deficit is equal to the present value of the remaining committed payments under the 2019 triennial valuation. Retirement benefit obligations of £25.3 million at 2 July 2023 (31 December 2022: £29.9 million) comprise a defined benefit pension liability of £25.1 million (31 December 2022: £29.6 million) and a post-retirement healthcare liability of £0.2 million (31 December 2022: £0.3 million).

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks. The triennial valuation of the TWPS with a reference date of 31 December 2022 is in progress.

Net cash and financing position

Net cash decreased to £654.9 million at 2 July 2023 from £863.8 million at 31 December 2022, due to the reduction in land creditors and payment of the 2022 final dividend. Average net cash for the period was £633.4 million (3 July 2022: £660.0 million, 31 December 2022: £595.7 million).

Whilst cash generated from operations decreased in the period, a strong second half of 2022 resulted in a cash conversion‡‡ of 70.1% of operating profit for the 12 months ending 2 July 2023 (12 months to 3 July 2022: 45.2%).

Net cash, combined with land creditors, resulted in an adjusted gearing‡‡‡ of (1.5)% (31 December 2022: (3.1)%).

At 2 July 2023 our committed borrowing facilities were £636 million of which £550 million was undrawn throughout the period. In December 2022 the Group entered into an agreement to refinance the €100 million 2.02% senior loan notes due June 2023 with €100 million 5.08% senior loan notes due June 2030. In July 2023 the Group renewed its revolving credit facility, increasing it to £600 million with a maturity of July 2028 and the option to request an extension for two further years. The weighted average maturity of the committed borrowing facilities at 2 July 2023 was 2.3 years (31 December 2022: 1.9 years), taking into account the new facility this increases to 5.3 years. The new revolving credit facility includes three sustainability linked performance measures, which only have an impact on finance costs. The three performance measures are: (1) science-based target aligned scope 1 & 2 emissions reductions; (2) waste intensity reduction; and, (3) improving the sustainability of our homes.

Dividends

On 12 May 2023, we returned £168.8 million to shareholders by way of a 2022 final ordinary dividend of 4.78 pence per share. The Board has declared that a 2023 interim dividend of 4.79 pence per share is to be paid on 17 November 2023 to shareholders on the register at the close of business on 13 October 2023. The dividend will be paid as a cash dividend, and shareholders have the option to reinvest all of their dividend under the Dividend Re-Investment Plan (DRIP), details of which are available on our website www.taylorwimpey.co.uk/corporate.

Going concern

The Directors remain of the view that the Group's financing arrangements and balance sheet strength provide both the necessary liquidity and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the financial statements are prepared on a going concern basis, see note 1 of the financial statements for further details of the assessment performed.

Principal risks and uncertainties

As with any business, Taylor Wimpey's operational performance and ability to achieve its strategic objectives are subject to several potential risks and uncertainties. The Board takes a proactive approach to the management of these and regularly reviews both internal and external factors to identify and assess their impact on the business. These risks and uncertainties are then managed through effective mitigating controls and the development of action plans, with the continual monitoring of progress against agreed KPIs as an integral part of the business process and core activities.

The Board assesses and monitors the Principal Risks of the business regularly. Set out in the Group's Annual Report and Accounts for the year ended 31 December 2022 are details of the Principal Risks and uncertainties for the Group and the key mitigating activities used to address them at that time.

Principal Risks

Whilst a degree of stability has returned during the past six months, the current climate continues to present challenges, with increasing regulatory focus and ongoing political and economic uncertainty. We continue to assess all relevant factors as part of our risk management process and have determined that there have been small increases in the inherent and residual risk profiles of three of our Principal Risks; 'Mortgage Availability and Housing Demand', 'Quality and Reputation' and 'Cyber Security'. As with all our Principal Risks, we continually monitor them to ensure they remain appropriate, and to ensure that we implement any additional mitigations deemed necessary in order to effectively manage them within our risk tolerance levels.

Except for those referenced above, no other changes have been made to the Group's Principal Risks as reported at 31 December 2022. Further details of the Principal Risks and the mitigations in place are outlined on pages 75 to 79 of the 2022 Annual Report and Accounts, published in March 2023, which is available at 2022 in review・Taylor Wimpey

Emerging Risks

The Group faces a number of emerging risks which have the potential to be significant to the achievement of our strategy. Due to their nature, their impact cannot be fully understood but where possible we have put in place or are planning to put in place mitigations to reduce the level of potential risk. Emerging risks are considered as part of our established risk management process and reviewed and approved by the Board on a regular basis.

Cautionary note concerning forward looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates' or 'expects'. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements.

Accordingly, there are or will be important factors that could cause Taylor Wimpey Plc's actual results to differ materially from those indicated in these statements. Persons receiving this announcement should not place reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made and, except as required by applicable law or regulation, Taylor Wimpey Plc undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

Definitions

* Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures.

*† Operating profit margin is defined as operating profit divided by revenue.

** Return on net operating assets (RONOA) is defined as rolling 12 months operating profit divided by the average of the opening and closing net operating assets of the 12 month period, which is defined as net assets less net cash, excluding net taxation balances and accrued dividends.

† Tangible net assets per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period.

†† Adjusted basic earnings per share represents earnings attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.

†* Net operating asset turn is defined as 12 months rolling total revenue divided by the average of opening and closing net operating assets of the 12 month period.

†*** The Injury Incidence Rate (AIIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12 month basis, where the number of employees and contractors is calculated using a monthly average over the same period.

‡ Net cash is defined as total cash less total borrowings.

‡‡ Cash conversion is defined as operating cash flow divided by operating profit on a rolling 12 month basis, with operating cash flow defined as cash generated by operations (which is before income taxes paid, interest paid and payments related to exceptional charges).

‡‡‡‡ Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.

A reconciliation of alternative performance measures to statutory measures is disclosed in note 17 of the financial statements.

Taylor Wimpey plc
Condensed consolidated income statement
For the half year ended 2 July 2023

£ million	Note	Half year ended 2 July 2023 Before exceptional items	(Reviewed) Half year ended 2 July 2023 Exceptional items	Half year ended 2 July 2023 Total	Half year ended 3 July 2022 Before exceptional items	(Reviewed) Half year ended 3 July 2022 Exceptional items	Half year ended 3 July 2022 Total	Year ended 31 December 2022 Before exceptional items	(Audited) Year ended 31 December 2022 Exceptional items	Year ended 31 December 2022 Total
Continuing operations										
Revenue	2	**1,637.1**	**-**	**1,637.1**	2,076.8	-	2,076.8	4,419.9	-	4,419.9
Cost of sales		**(1,283.2)**	**-**	**(1,283.2)**	(1,552.3)	-	(1,552.3)	(3,287.5)	-	(3,287.5)
Gross profit		**353.9**	**-**	**353.9**	524.5	-	524.5	1,132.4	-	1,132.4
Net operating expenses	4	**(118.0)**	**-**	**(118.0)**	(109.9)	(80.0)	(189.9)	(224.9)	(80.0)	(304.9)
Profit on ordinary activities before financing		**235.9**	**-**	**235.9**	414.6	(80.0)	334.6	907.5	(80.0)	827.5
Finance income	5	**13.2**	**-**	**13.2**	2.1	-	2.1	8.6	-	8.6
Finance costs	5	**(11.1)**	**-**	**(11.1)**	(12.2)	-	(12.2)	(24.1)	-	(24.1)
Share of results of joint ventures		**(0.3)**	**-**	**(0.3)**	10.0	-	10.0	15.9	-	15.9
Profit before taxation		**237.7**	**-**	**237.7**	414.5	(80.0)	334.5	907.9	(80.0)	827.9
Taxation (charge)/credit	6	**(62.0)**	**-**	**(62.0)**	(91.4)	17.6	(73.8)	(201.9)	17.6	(184.3)
Profit for the period		**175.7**	**-**	**175.7**	323.1	(62.4)	260.7	706.0	(62.4)	643.6
Basic earnings per share	7			**5.0p**			7.2p			18.1p
Diluted earnings per share	7			**5.0p**			7.2p			18.0p
Adjusted basic earnings per share	7			**5.0p**			9.0p			19.8p
Adjusted diluted earnings per share	7			**5.0p**			8.9p			19.7p

All of the profit for the period is attributable to the equity holders of the parent company.

Taylor Wimpey plc
Condensed consolidated statement of comprehensive income
For the half year ended 2 July 2023

£ million	Half year ended 2 July 2023 (Reviewed)	Half year ended 3 July 2022 (Reviewed)	Year ended 31 December 2022 (Audited)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(5.0)**	4.1	6.6
Movement in fair value of hedging instruments	**2.4**	(2.3)	(3.5)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	**0.8**	2.1	3.2
Tax (charge)/credit on items taken directly to other comprehensive income	**(0.2)**	1.0	0.7
Other comprehensive (expense)/income for the period	**(2.0)**	4.9	7.0
Profit for the period	**175.7**	260.7	643.6
Total comprehensive income for the period	**173.7**	265.6	650.6

All of the comprehensive income for the period is attributable to the equity holders of the parent company.

Taylor Wimpey plc
Condensed consolidated balance sheet
As at 2 July 2023

£ million	Note	2 July 2023 (Reviewed)	3 July 2022 (Reviewed)	31 December 2022 (Audited)
Non-current assets				
Intangible assets		**3.2**	5.0	4.2
Property, plant and equipment		**16.6**	20.3	17.3
Right-of-use assets		**26.8**	25.9	26.3
Interests in joint ventures		**73.1**	83.0	74.0
Trade and other receivables		**12.7**	24.2	12.2
Other financial assets	9	**10.1**	10.0	10.0
Deferred tax assets		**22.6**	24.2	26.0
		165.1	192.6	170.0
Current assets				
Inventories		**5,288.1**	5,309.7	5,169.6
Trade and other receivables		**164.4**	178.2	191.2
Tax receivables		**-**	14.4	-
Cash and cash equivalents	8	**740.4**	729.4	952.3
		6,192.9	6,231.7	6,313.1
Total assets		**6,358.0**	6,424.3	6,483.1
Current liabilities				
Trade and other payables		**(1,083.5)**	(1,080.2)	(1,130.8)
Lease liabilities		**(8.4)**	(8.2)	(7.3)
Bank and other loans	8	**-**	(87.0)	(88.5)
Tax payables		**(11.0)**	(3.2)	(7.2)
Provisions	11	**(125.3)**	(119.0)	(106.7)
		(1,228.2)	(1,297.6)	(1,340.5)
Net current assets		**4,964.7**	4,934.1	4,972.6
Non-current liabilities				
Trade and other payables		**(327.7)**	(594.5)	(407.3)
Lease liabilities		**(19.4)**	(18.6)	(19.7)
Bank and other loans	8	**(85.5)**	-	-
Retirement benefit obligations	9	**(25.3)**	(30.4)	(29.9)
Provisions	11	**(162.7)**	(208.6)	(183.6)
		(620.6)	(852.1)	(640.5)
Total liabilities		**(1,848.8)**	(2,149.7)	(1,981.0)
Net assets		**4,509.2**	4,274.6	4,502.1
Equity				
Share capital		**291.3**	291.3	291.3
Share premium		**777.9**	777.9	777.9
Own shares	12	**(35.3)**	(43.3)	(43.1)
Other reserves		**543.0**	544.3	545.6
Retained earnings		**2,932.3**	2,704.4	2,930.4
Total equity		**4,509.2**	4,274.6	4,502.1

Taylor Wimpey plc
Condensed consolidated statement of changes in equity
For the half year ended 2 July 2023

Reviewed half year ended 2 July 2023 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2023		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1
Other comprehensive (expense)/income for the period		-	-	-	(2.6)	0.6	(2.0)
Profit for the period		-	-	-	-	175.7	175.7
Total comprehensive (expense)/income for the period		-	-	-	(2.6)	176.3	173.7
Utilisation of own shares		-	-	7.8	-	-	7.8
Cash cost of satisfying share options		-	-	-	-	(10.0)	(10.0)
Share-based payment credit	15	-	-	-	-	4.4	4.4
Dividends approved and paid	14	-	-	-	-	(168.8)	(168.8)
Total equity at 2 July 2023		**291.3**	**777.9**	**(35.3)**	**543.0**	**2,932.3**	**4,509.2**

Reviewed half year ended 3 July 2022 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2022		292.2	777.5	(14.6)	541.6	2,717.3	4,314.0
Other comprehensive income for the period		-	-	-	1.8	3.1	4.9
Profit for the period		-	-	-	-	260.7	260.7
Total comprehensive income for the period		-	-	-	1.8	263.8	265.6
New share capital subscribed		-	0.4	-	-	-	0.4
Own shares acquired and cancelled	12	(0.9)	-	(33.8)	0.9	(117.5)	(151.3)
Utilisation of own shares		-	-	5.1	-	-	5.1
Cash cost of satisfying share options		-	-	-	-	(4.2)	(4.2)
Share-based payment credit	15	-	-	-	-	7.5	7.5
Tax charge on items taken directly to statement of changes in equity		-	-	-	-	(1.6)	(1.6)
Dividends approved and paid	14	-	-	-	-	(160.9)	(160.9)
Total equity at 3 July 2022		291.3	777.9	(43.3)	544.3	2,704.4	4,274.6

Audited year ended 31 December 2022 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2022		292.2	777.5	(14.6)	541.6	2,717.3	4,314.0
Other comprehensive income for the year		-	-	-	3.1	3.9	7.0
Profit for the year		-	-	-	-	643.6	643.6
Total comprehensive income for the year		-	-	-	3.1	647.5	650.6
New share capital subscribed		-	0.4	-	-	-	0.4
Own shares acquired and cancelled	12	(0.9)	-	(33.8)	0.9	(117.5)	(151.3)
Utilisation of own shares		-	-	5.3	-	-	5.3
Cash cost of satisfying share options		-	-	-	-	(5.5)	(5.5)
Share-based payment credit	15	-	-	-	-	14.0	14.0
Tax charge on items taken directly to statement of changes in equity		-	-	-	-	(1.6)	(1.6)
Dividends approved and paid	14	-	-	-	-	(323.8)	(323.8)
Total equity at 31 December 2022		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1

Taylor Wimpey plc
Condensed consolidated cash flow statement
For the half year ended 2 July 2023

£ million	Note	Half year ended 2 July 2023 (Reviewed)	Half year ended 3 July 2022 (Reviewed)	Year ended 31 December 2022 (Audited)
Operating activities:				
Profit on ordinary activities before financing		**235.9**	334.6	827.5
Adjustments for:				
Depreciation and amortisation		**6.0**	7.5	14.5
Pension contributions in excess of charge to the income statement		**(4.4)**	(5.1)	(4.8)
Share-based payment charge		**4.4**	7.5	14.0
Loss on disposal of property, plant and equipment		**0.3**	-	0.3
Net increase in provisions excluding exceptional payments		**5.9**	94.2	90.9
Operating cash flows before movements in working capital		**248.1**	438.7	942.4
Increase in inventories		**(232.9)**	(317.7)	(280.4)
Decrease/(increase) in receivables		**23.7**	(7.0)	(9.9)
(Decrease)/increase in payables		**(23.3)**	91.7	52.9
Cash generated by operations		**15.6**	205.7	705.0
Payments relating to exceptional charges		**(8.0)**	(11.7)	(45.9)
Income taxes paid		**(55.2)**	(83.3)	(176.9)
Interest paid		**(2.7)**	(2.4)	(4.7)
Net cash (used in)/from operating activities		**(50.3)**	108.3	477.5
Investing activities:				
Interest received		**12.4**	1.9	6.9
Dividends received from joint ventures		**8.2**	1.4	3.1
Proceeds on disposal of property, plant and equipment		**-**	-	1.5
Purchase of property, plant and equipment		**(0.3)**	(0.7)	(1.7)
Purchase of software		**-**	(0.1)	(0.4)
Amounts (invested in)/repaid by joint ventures		**(6.6)**	11.0	24.2
Net cash generated from investing activities		**13.7**	13.5	33.6
Financing activities:				
Lease capital repayments		**(3.9)**	(3.7)	(7.6)
Cash received on exercise of share options		**0.1**	1.3	0.3
Purchase of own shares		**-**	(151.3)	(151.3)
Repayment of borrowings		**(87.0)**	-	-
Proceeds from borrowings		**87.0**	-	-
Dividends paid		**(168.8)**	(160.9)	(323.8)
Net cash used in financing activities		**(172.6)**	(314.6)	(482.4)
Net (decrease)/increase in cash and cash equivalents		**(209.2)**	(192.8)	28.7
Cash and cash equivalents at beginning of period		**952.3**	921.0	921.0
Effect of foreign exchange rate changes		**(2.7)**	1.2	2.6
Cash and cash equivalents at end of period	8	**740.4**	729.4	952.3

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements
For the half year ended 2 July 2023

1. Accounting policies

Basis of preparation

The condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom, and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. These should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with applicable IFRSs.

The information contained in this report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Group's auditor PricewaterhouseCoopers LLP. A copy of the statutory accounts for year ended 31 December 2022 has been delivered to the Registrar of Companies. The auditor reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

The accounting policies and method of computations adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

Going concern

Group forecasts have been prepared that have considered the Group's current financial position and current market circumstances. The forecasts were subject to sensitivity analysis including severe but plausible scenarios together with the likely effectiveness of mitigating actions.

The assessment considered sensitivity analysis based on a number of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these, the Group included macro-economic and industry wide projections, as well as matters specific to the Group. To arrive at the sensitivity analysis, the Group has also drawn on experience gained managing the business through previous economic downturns and stress tested the business against a number of scenarios including:

- Volume – a decline in total volumes of 30% from 2022 levels
- Price – a reduction to current selling prices of 10% for un-reserved homes
- Costs – a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in Government regulations or financial penalty has been included in 2024

Mitigations to this sensitivity analysis include a reduction in land investment, a reduction in the level of production and work in progress held and optimising the overhead base to ensure it is aligned with the scale of the operations through the cycle. We also have a range of additional options to maintain our financial strength, including: a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend, and or raising debt.

At 2 July 2023, the Group had a cash balance of £740 million and had access to £550 million from a fully undrawn revolving credit facility, which was replaced in July 2023 with a £600 million revolving credit facility, together totalling £1,340 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Based on these forecasts, it is considered that there are sufficient resources available for the Group to conduct its business, and meet its liabilities as they fall due, for at least the next 12 months from the date of these condensed consolidated interim financial statements. Consequently the condensed consolidated interim financial statements have been prepared on a going concern basis.

1. Accounting policies (continued)

Estimates and judgements

The preparation of a condensed set of consolidated interim financial statements requires management to make significant judgements and estimates. Management have considered whether there are any such sources of estimation or accounting judgements in preparing the condensed consolidated interim financial statements. In identifying these areas management have considered the size of the associated balance and the potential likelihood of changes due to macro-economic factors.

In preparing these condensed consolidated interim financial statements, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those applied to the Group's consolidated financial statements for the year ended 31 December 2022.

2. Revenue

An analysis of the Group's revenue is as follows:

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Private sales	**1,443.0**	1,797.2	3,886.1
Partnership housing	**184.3**	245.0	476.4
Land and other	**9.8**	34.6	57.4
Total revenue	**1,637.1**	2,076.8	4,419.9

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

3. Operating segments

The Group operates in two countries, being the United Kingdom and Spain.

The United Kingdom is split into five geographical operating segments, each managed by a Divisional Chair who sits on the Group Management Team; there are also central operations covering the corporate functions and Strategic Land. All the UK operating segments share similar economic characteristics. In making this assessment the Group has considered the key metrics that are used to monitor the performance of the segments; these have been considered over a long term period and have included historic and forecast results. The metrics focus on profitability, return on capital and other asset related measures. In addition each Division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and local housing associations, follows a single UK sales process and operating framework, is subject to the same macro-economic factors including mortgage availability and has the same cost of capital arising from the utilisation of central banking and debt facilities. As a result, the disclosure reflects the two reportable segments of the UK and Spain. Revenue in Spain arises entirely on private sales.

	Half year ended 2 July 2023			Half year ended 3 July 2022			Year ended 31 December 2022		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total	UK	Spain	Total
Revenue									
External sales	**1,563.0**	**74.1**	**1,637.1**	2,009.4	67.4	2,076.8	4,295.5	124.4	4,419.9
Result									
Profit before joint ventures, finance income/(costs) and exceptional items	**216.2**	**19.7**	**235.9**	396.6	18.0	414.6	874.9	32.6	907.5
Share of results of joint ventures	**(0.3)**	**-**	**(0.3)**	10.0	-	10.0	15.9	-	15.9
Operating profit (Note 17)	**215.9**	**19.7**	**235.6**	406.6	18.0	424.6	890.8	32.6	923.4
Exceptional items (Note 4)	**-**	**-**	**-**	(80.0)	-	(80.0)	(80.0)	-	(80.0)
Profit before net finance income/(costs)	**215.9**	**19.7**	**235.6**	326.6	18.0	344.6	810.8	32.6	843.4
Net finance income/(costs) (Note 5)			**2.1**			(10.1)			(15.5)
Profit before taxation			**237.7**			334.5			827.9
Taxation charge (Note 6)			**(62.0)**			(73.8)			(184.3)
Profit for the period			**175.7**			260.7			643.6

	2 July 2023			3 July 2022			31 December 2022		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total	UK	Spain	Total
Assets and liabilities									
Segment operating assets	**5,319.3**	**202.6**	**5,521.9**	5,368.3	205.0	5,573.3	5,222.9	207.9	5,430.8
Joint ventures	**73.1**	**-**	**73.1**	83.0	-	83.0	74.0	-	74.0
Segment operating liabilities	**(1,630.4)**	**(121.9)**	**(1,752.3)**	(1,934.6)	(124.9)	(2,059.5)	(1,767.2)	(118.1)	(1,885.3)
Net operating assets	**3,762.0**	**80.7**	**3,842.7**	3,516.7	80.1	3,596.8	3,529.7	89.8	3,619.5
Net current taxation			**(11.0)**			11.2			(7.2)
Net deferred taxation			**22.6**			24.2			26.0
Net cash (Note 8)			**654.9**			642.4			863.8
Net assets			**4,509.2**			4,274.6			4,502.1

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

4. Net operating expenses and profit on ordinary activities before financing

Profit on ordinary activities before financing has been arrived at after charging/(crediting):

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Administration expenses	**116.5**	111.3	220.7
Other expenses	**37.5**	27.0	70.1
Other income	**(36.0)**	(28.4)	(65.9)
Exceptional items	**-**	80.0	80.0
Net operating expenses	**118.0**	189.9	304.9

The majority of the other income and other expenses shown above relates to the income and associated costs arising on the sale of part exchange properties. These are shown gross with the comparatives updated to be disclosed on the same basis (grossing up each by £22.3 million for the period ended 3 July 2022). Also included in other income and other expenses are profit/loss on the sale of property, plant and equipment, the revaluation of certain shared equity mortgage receivables and abortive land acquisition costs.

Exceptional items: £ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Provision in relation to cladding fire safety	**-**	80.0	80.0
	-	80.0	80.0
Tax credit	**-**	(17.6)	(17.6)
Net exceptional items charged to the income statement	**-**	62.4	62.4

Cladding fire safety
In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021 the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and, in line with Group policy, recognised it as an exceptional item.

In April 2022 the Group signed up to the Government's Building Safety Pledge for Developers, extending the period covered to all buildings constructed by the Group since 1992, as well as committing to reimburse any funds allocated or used for Taylor Wimpey buildings over 18 metres from the Building Safety Fund. In the year to 31 December 2022 the Group recognised an increase in the provision of £80.0 million, as an exceptional expense; no further amounts were recognised in the period to 2 July 2023.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

5. Finance income and finance costs

Finance income:

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Interest receivable	**13.2**	2.1	8.6
	13.2	2.1	8.6

Finance costs:

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Interest on bank and other loans	**(2.7)**	(2.4)	(4.8)
Foreign exchange movements	**(0.3)**	(0.3)	-
	(3.0)	(2.7)	(4.8)
Unwinding of discount on land creditors and other items	**(7.1)**	(9.0)	(18.3)
Interest on lease liabilities	**(0.3)**	(0.2)	(0.4)
Net interest on pension liability	**(0.7)**	(0.3)	(0.6)
	(11.1)	(12.2)	(24.1)

6. Taxation

Tax charged in the income statement is analysed as follows:

£ million		**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Current tax:				
UK:	Current year	**(56.1)**	(69.1)	(179.3)
	Adjustment in respect of prior years	**0.3**	-	0.5
Overseas:	Current year	**(3.6)**	(2.6)	(5.4)
	Adjustment in respect of prior years	**0.4**	(0.5)	(0.5)
		(59.0)	(72.2)	(184.7)
Deferred tax:				
UK:	Current year	**(1.6)**	(2.4)	0.4
	Adjustment in respect of prior years	**(0.1)**	-	(0.1)
Overseas:	Current year	**(1.3)**	(1.0)	(1.7)
	Adjustment in respect of prior years	**-**	1.8	1.8
		(3.0)	(1.6)	0.4
		(62.0)	(73.8)	(184.3)

The effective tax rate for the period is 26.1% (3 July 2022 effective tax rate: 22.1%).

Closing deferred tax on temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or liability is settled. On 1 April 2022 a new 4% Residential Property Developer Tax, chargeable on residential development profits, came into effect. Accordingly deferred tax on UK temporary differences has been calculated at 29% (3 July 2022: between 23% and 29%). Deferred tax on Spanish temporary differences has been calculated at 25% (3 July 2022: 25%).

The primary components of the deferred tax asset at 2 July 2023 are in relation to retirement benefit obligations, UK provisions that are tax deductible when the expenditure is incurred, and the temporary differences of our Spanish business, including brought forward trading losses.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

7. Earnings per share

	Half year ended 2 July 2023	Half year ended 3 July 2022	Year ended 31 December 2022
Basic earnings per share	**5.0p**	7.2p	18.1p
Diluted earnings per share	**5.0p**	7.2p	18.0p
Adjusted basic earnings per share	**5.0p**	9.0p	19.8p
Adjusted diluted earnings per share	**5.0p**	8.9p	19.7p
Weighted average number of shares for basic earnings per share – million	**3,528.8**	3,603.5	3,564.8
Weighted average number of shares for diluted earnings per share – million	**3,536.8**	3,613.9	3,576.5

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and the associated net tax charges, are shown to provide clarity on the underlying performance of the Group.

A reconciliation from profit from operations attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below:

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Earnings for basic and diluted earnings per share	**175.7**	260.7	643.6
Adjust for exceptional items	**-**	80.0	80.0
Adjust for tax on exceptional items	**-**	(17.6)	(17.6)
Earnings for adjusted basic and adjusted diluted earnings per share	**175.7**	323.1	706.0

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

8. Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash:

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2023	952.3	(88.5)	863.8
Net cash flow	(209.2)	-	(209.2)
Foreign exchange	(2.7)	3.0	0.3
At 2 July 2023	**740.4**	**(85.5)**	**654.9**

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2022	921.0	(84.0)	837.0
Net cash flow	(192.8)	-	(192.8)
Foreign exchange	1.2	(3.0)	(1.8)
At 3 July 2022	729.4	(87.0)	642.4

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2022	921.0	(84.0)	837.0
Net cash flow	28.7	-	28.7
Foreign exchange	2.6	(4.5)	(1.9)
At 31 December 2022	952.3	(88.5)	863.8

In December 2022 the Group entered into an agreement to refinance the €100 million loan notes maturing in June 2023, the new loan notes were issued in June 2023, maturing June 2030. The committed borrowing facilities at period end were £635.5 million (31 December 2022: £638.5 million) with a weighted average maturity of 2.3 years (31 December 2022: 1.9 years). Subsequent to period end the revolving credit facility was renewed, increasing the total facility to £600 million and with a maturity of July 2028, this increases the weighted average maturity of facilities to 5.3 years. The Group's financing facilities contain the usual financial covenants including minimum interest cover and maximum gearing. The Group met these requirements throughout the period and up to the date of the approval of these condensed consolidated interim financial statements.

9. Pensions

During 2020, the Group engaged with the Taylor Wimpey Pension Scheme ('TWPS') Trustee on the triennial valuation of the pension scheme with a reference date of 31 December 2019. In March 2021, a new funding arrangement was agreed with the Trustee that committed the Group to paying up to £20.0 million per annum into an escrow account between April 2021 and March 2024. The first six months of contributions between 1 April 2021 and 30 September 2021 were guaranteed (£10.0 million). From 1 October 2021, payments into the escrow account are subject to a quarterly funding test with the first funding test having an effective date of 30 September 2021. Payments to the escrow are suspended should the TWPS Technical Provisions deficit position at any quarter-end be 100% or more and would restart should the deficit subsequently fall below 98%. The funding test at 30 September 2021 showed a funding level of 103% and has remained above 100% since then and therefore escrow payments were suspended on, and from, 1 October 2021.

The Group continues to provide a contribution for Scheme expenses (£2.0 million per annum) and also makes contributions via the Pension Funding Partnership (£5.1 million per annum).

At 2 July 2023 the IAS19 surplus was £95.6 million (31 December 2022: £76.6 million). An IFRIC 14 deficit has been recognised at 2 July 2023, which represents the present value of future contributions under the funding plan together with distributions from the Pension Funding Partnership. This results in an IFRIC 14 deficit recognised on the balance sheet of £25.1 million (31 December 2022: £29.6 million). In addition, there is as a post-retirement healthcare liability of £0.2 million (31 December 2022: £0.3 million).

Amounts in other financial assets are held in an escrow account for the benefit of the TWPS and the Trustee of the TWPS holds a charge over the escrow account. Transfers out of the escrow account (either to the TWPS or the Group) are subject to the 2019 triennial funding arrangement entered into between the Group and the Trustee and as such the funds are restricted from use by the Group for other purposes and are therefore not classified as cash or cash equivalents. At 2 July 2023 there was £10.1 million held in the escrow account (31 December 2022: £10.0 million) with interest earned by the escrow account being retained within the escrow account.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

10. Financial assets and liabilities

£ million		Carrying amount 2 July 2023	Carrying amount 3 July 2022	Carrying amount 31 December 2022	Fair value 2 July 2023	Fair value 3 July 2022	Fair value 31 December 2022
Financial assets							
Cash and cash equivalents	a	**740.4**	729.4	952.3	**740.4**	729.4	952.3
Land receivables	a	**14.7**	18.7	16.3	**14.7**	18.7	16.3
Other financial assets	a	**10.1**	10.0	10.0	**10.1**	10.0	10.0
Trade and other receivables	a	**112.9**	120.3	136.4	**112.9**	120.3	136.4
Mortgage receivables	b	**8.1**	14.0	10.2	**8.1**	14.0	10.2
Financial liabilities							
Bank and other loans	c	**85.5**	87.0	88.5	**82.6**	85.5	87.2
Land creditors	a	**588.0**	843.7	725.6	**588.0**	843.7	725.6
Trade and other payables	a	**643.0**	622.4	639.9	**643.0**	622.4	639.9
Lease liabilities	a	**27.8**	26.8	27.0	**27.8**	26.8	27.0

(a) The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements approximate their fair values.
(b) Mortgage receivables relate to sales incentives including shared equity loans and are measured at fair value through profit or loss. The fair value is established based on a publicly available national house price index, being significant other observable inputs (level 2).
(c) The fair value of the €100 million fixed rate loan notes has been determined by reference to external interest rates and the Directors' assessment of the margin for credit risk (level 2).

Land receivables, mortgage receivables and trade and other receivables are included in the balance sheet as trade and other receivables for current and non-current amounts and include £41.4 million (31 December 2022: £40.5 million) of non-financial assets.

Land creditors and trade and other payables are included in the balance sheet as trade and other payables for current and non-current amounts and include £180.2 million (31 December 2022: £172.6 million) of non-financial liabilities.

The Group has designated a financial liability in the sum of €79.0 million (31 December 2022: €79.0 million) as a net investment hedge, equating to £67.5 million (31 December 2022: £69.9 million). The Group had no financial instruments with fair values that are determined by reference to significant unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

11. Provisions

£ million	Cladding fire safety	Leasehold	Other	Total
At 31 December 2022	208.7	23.5	58.1	290.3
Additions in the period	-	-	8.0	8.0
Utilised	(6.9)	(1.1)	(2.2)	(10.2)
Foreign exchange	-	-	(0.1)	(0.1)
At 2 July 2023	**201.8**	**22.4**	**63.8**	**288.0**

£ million	**2 July 2023**	3 July 2022	31 December 2022
Current	**125.3**	119.0	106.7
Non-current	**162.7**	208.6	183.6
	288.0	327.6	290.3

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased by £10.0 million in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and in 2022 recognised a further £80.0 million (see Note 4). It is expected that up to a third of the remaining provision will be utilised over the next 12 months.

In 2017 the Group launched an assistance scheme to help certain customers restructure their ground rent agreements with their freeholder and established an associated provision of £130.0 million to fund this. Following the agreement of voluntary undertakings with the CMA the Group expects that the majority of the remaining provision will be utilised within the next 12 months.

Other provisions consist of a remedial work provision covering various obligations on a limited number of sites across the Group. Other provisions also includes amounts for legal claims and other contract-related costs associated with various matters arising across the Group, the majority of which are anticipated to be settled within a three year period; however, there is some uncertainty regarding the timing of these outflows due to the nature of the claims and the length of time it can take to reach settlement.

12. Own shares

During the prior period the Group purchased 116,942,362 of its own ordinary shares, of which 25,000,000 were transferred to be held in treasury and the remainder cancelled. The average share price of the purchased shares was 128.27 pence for a total cost, including expenses, of £151.3 million.

13. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes. There have been no material changes in the nature of transactions with joint ventures, which are also related parties, since the last annual financial statements as at, and for the year ended, 31 December 2022.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

14. Dividends

£ million	**Half year ended 2 July 2023**	Half year ended 3 July 2022	Year ended 31 December 2022
Approved and paid	**168.8**	160.9	323.8
Approved and accrued	**-**	-	-
Approved	**169.0**	163.0	-
Proposed	**-**	-	169.0

The Directors have assessed the Company's performance in the current period and approved an interim dividend of 4.79 pence per share in line with the Group's dividend policy. The dividend will be paid on 17 November 2023 to all shareholders registered at the close of business on 13 October 2023. This is expected to result in a payment of c.£169 million.

In accordance with IAS 10 'Events after the Reporting Period' the approved interim dividend has not been accrued in the 2 July 2023 balance sheet.

15. Share based payments

The Group recognised a share based payment expense of £5.5 million to 2 July 2023 (3 July 2022: £7.6 million), which was composed of £4.4 million in relation to equity settled schemes and £1.1 million in relation to cash settled elements (3 July 2022: £7.5 million and £0.1 million).

16. Seasonality

Weekly sales rates in some of the Group's key markets historically experience significant seasonal variation, with the highest levels of reservations usually occurring in the spring and autumn in the UK. As such, economic weakness which affects these peak selling seasons can have a disproportionate impact on the results for the year.

This pattern of reservations tends to result in higher levels of home completions towards the end of the financial year. As a result, the Group's work in progress and debt profile exhibits peaks and troughs over the course of the financial year.

17. Alternative performance measures

The Group uses a number of Alternative Performance Measures (APMs) which are not defined within IFRS. The Directors use these measures in order to assess the underlying operational performance of the Group and, as such, these measures should be considered alongside the IFRS measures. The following APMs are referred to throughout the half year results.

Profit before taxation and exceptional items and profit for the period before exceptional items

The Directors consider the removal of exceptional items from the reported results provides more clarity on the performance of the Group. They are reconciled to profit before taxation and profit for the period respectively, on the face of the condensed consolidated income statement.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

17. Alternative performance measures (continued)

Operating profit and operating margin

Throughout the report operating profit is used as one of the main measures of performance. Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures. The Directors consider this to be an important measure of underlying performance of the Group. Operating margin is calculated as operating profit divided by total revenue.

	Half year ended 2 July 2023	Half year ended 3 July 2022	Year ended 31 December 2022
Profit on ordinary activities before financing (£m)	235.9	334.6	827.5
Adjusted for:			
Share of results of joint ventures (£m)	(0.3)	10.0	15.9
Exceptional items (£m) (Note 4)	-	80.0	80.0
Operating profit (£m)	**235.6**	**424.6**	**923.4**
Revenue (£m) (Note 2)	1,637.1	2,076.8	4,419.9
Operating margin	**14.4%**	**20.4%**	**20.9%**
Rolling 12-month operating profit* (£m)	**734.4**	**829.2**	**923.4**

* Operating profit for the 6-month period ended 31 December 2021: Profit before interest and tax: £400.5m; Share of results of joint ventures: £4.1m; Exceptional items: nil.

Net operating assets

Net operating assets is defined as basic net assets less net cash, excluding net taxation balances and accrued dividends. Average net operating assets is the average of the opening and closing net operating assets of the 12-month period. With return on net operating assets, the Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

£million	**2 July 2023**	3 July 2022	31 December 2022	31 December 2021	4 July 2021
Basic net assets (£m)	**4,509.2**	**4,274.6**	**4,502.1**	**4,314.0**	**4,140.2**
Adjusted for:					
Cash (£m)	(740.4)	(729.4)	(952.3)	(921.0)	(1,005.6)
Borrowings (£m)	85.5	87.0	88.5	84.0	99.1
Net taxation (£m)	(11.6)	(35.4)	(18.8)	(26.4)	(35.2)
Accrued dividends (£m)	-	-	-	-	-
Net operating assets (£m)	**3,842.7**	**3,596.8**	**3,619.5**	**3,450.6**	**3,198.5**
Average basic net assets (£m)	**4,391.9**	**4,207.4**	**4,408.1**		
Average net operating assets (£m)	**3,719.8**	**3,397.7**	**3,535.1**		

Return on net operating assets

Return on net operating assets is defined as rolling 12-month operating profit divided by average net operating assets. The Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2 July 2023	3 July 2022	31 December 2022
Rolling 12-month operating profit (£m)	734.4	829.2	923.4
Average net operating assets (£m)	3,719.8	3,397.7	3,535.1
Return on net operating assets	**19.7%**	**24.4%**	**26.1%**

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

17. Alternative performance measures (continued)

Net operating asset turn

This is defined as total revenue divided by the average of opening and closing net operating assets, based on a rolling 12-month period. The Directors consider this to be good indicator of how efficiently the Group is utilising its assets to generate value for the shareholders.

	2 July 2023	3 July 2022	31 December 2022
Rolling 12-month revenue* (£m) (Note 2)	3,980.2	4,165.4	4,419.9
Average net operating assets (£m)	3,719.8	3,397.7	3,535.1
Net operating asset turn	**1.07**	**1.23**	**1.25**

* Revenue for the 6-month period ended 31 December 2021: £2,088.6 million

Tangible net assets per share

This is calculated as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period. The Directors consider this to be a good measure of the value intrinsic within each ordinary share.

	2 July 2023	3 July 2022	31 December 2022
Basic net assets (£m)	4,509.2	4,274.6	4,502.1
Adjusted for:			
Intangible assets (£m)	(3.2)	(5.0)	(4.2)
Tangible net assets (£m)	**4,506.0**	**4,269.6**	**4,497.9**
Ordinary shares in issue (millions)	3,557.0	3,557.0	3,557.0
Tangible net assets per share (pence)	**126.7**	**120.0**	**126.5**

Net cash

Net cash is defined as total cash less total borrowings. This is considered by the Directors to be the best indicator of the financing position of the Group and is reconciled in Note 8.

Cash conversion

This is defined as cash generated by operations divided by operating profit, based on a rolling 12-month period. The Directors consider this measure to be a good indication of how efficiently the Group is turning profit into cash.

	2 July 2023	3 July 2022	31 December 2022
Rolling 12-month cash generated by operations* (£m)	514.9	375.1	705.0
Rolling 12-month operating profit (£m)	734.4	829.2	923.4
Cash conversion	**70.1%**	**45.2%**	**76.3%**

* Cash generated by operations for the 6-month period ended 31 December 2021: £169.4m.

Adjusted gearing

This is defined as adjusted net debt divided by basic net assets. The Directors consider this to be a more representative measure of the Group's gearing levels. Adjusted net debt is defined as net cash less land creditors.

	2 July 2023	3 July 2022	31 December 2022
Cash (£m)	740.4	729.4	952.3
Loans (£m)	(85.5)	(87.0)	(88.5)
Net cash (£m)	**654.9**	**642.4**	**863.8**
Land creditors (£m)	(588.0)	(843.7)	(725.6)
Adjusted net cash/(debt) (£m)	**66.9**	**(201.3)**	**138.2**
Basic net assets (£m)	4,509.2	4,274.6	4,502.1
Adjusted gearing	**(1.5)%**	**4.7%**	**(3.1)%**

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 2 July 2023

17. Alternative performance measures (continued)

Adjusted basic earnings per share

This is calculated as earnings attributed to the shareholders, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares. The Directors consider this provides an important measure of the underlying earnings capacity of the Group. Note 7 shows a reconciliation from basic earnings per share to adjusted basic earnings per share.

18. Post balance sheet events

Other than the renewal of the revolving credit facility in July 2023 (see Note 8), there were no material subsequent events affecting the Group between 2 July 2023 and the date of this announcement.

Taylor Wimpey plc
Statement of Directors' responsibility
For the half year ended 2 July 2023

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and that the half year results include a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Robert Noel, Chair
Jennie Daly, Chief Executive
1 August 2023

Independent review report to Taylor Wimpey plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Taylor Wimpey plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half year results of Taylor Wimpey plc for the half year ended 2 July 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 2 July 2023;
- the Condensed consolidated income statement and the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year results of Taylor Wimpey plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent review report to Taylor Wimpey plc
Report on the condensed consolidated interim financial statements (continued)

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Half year results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Half year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half year results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half year results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
1 August 2023

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Disciplined management during market uncertainty; building a platform for future growth

Persimmon Plc today announces its half year results for the six months ended 30 June 2023.

Dean Finch, Group Chief Executive, said:
"Against a backdrop of higher mortgage rates, the removal of Help to Buy and significant market uncertainty, Persimmon has delivered a robust sales rate excluding bulk sales whilst growing the private average selling price in our forward order book and also securing cost savings. We are on track to deliver profit expectations for the year and are building a platform for future growth.

"Our private sales rate has remained broadly consistent throughout the period resulting in a private forward order book that is now 83% higher than it was at the beginning of the year, despite controlled use of sales incentives and limited recourse to investor deals. Our pricing overall has remained resilient with continued positive momentum in the forward order book. However, the reduced volumes in the first half of the year has negatively affected our operating margins as we predicted earlier in the year. As we look forward, we expect increasing completions to result in improving operating margins.

"We have been proactive in managing our cost base however, this has been done without losing our focus on quality. We were delighted to retain a five-star customer service rating in the period and have made very pleasing progress in our Trustpilot scores. The Group's national network of outlets providing high quality products at a range of attractive prices and an improved brand reputation are crucial strengths in this market.

"We have maintained targeted investment in exceptional new land opportunities and enhanced key capabilities to deliver high quality homes for customers consistently. Subject to the challenges in the planning system we are determined to grow our outlet numbers in a disciplined way. Our new Space4 factory and investment in TopHat modular manufacturer will help us drive even greater efficiencies in the coming years. We are carefully strengthening our operations and national outlet network to position ourselves for future growth while protecting margins.

"With the historic under-supply of homes the longer term outlook for housing remains positive. Persimmon has a proven track record of delivering strong returns through the cycle. I am confident that the combination of a relentless focus on our key enduring strengths while enhancing key capabilities, will again drive strong returns through the next cycle."

Financial highlights

	H1 2023	H1 2022
New home completions	**4,249**	6,652
New home average selling price	**£256,445**	£245,597
Total Group revenue[1]	**£1.19bn**	£1.69bn
Underlying new housing gross margin[2]	**21.5%**	31.0%
Underlying operating profit[3]	**£152.2m**	£440.7m
Underlying operating margin[4]	**14.0%**	27.0%
Profit before tax	**£151.0m**	£439.7m
Earnings per share	**34.4p**	106.5p
Interim dividend per share	**20p**	-
Cash at 30 June	**£0.36bn**	£0.78bn
Land holdings at 30 June – plots owned and under control	**84,751**	89,052
Underlying 12 month rolling return on average capital employed[5]	**21.1%**	30.9%

Trading highlights

- 4,249 new home completions in H1 (2022: 6,652), reflecting the lower forward order book coming into the year following the market challenges after last Autumn's 'mini-Budget'
  - Group private average selling price of £288,327, up 8% year on year, partially reflecting a greater proportion of larger homes sold
  - Group average selling price of £256,445 up 4% year on year
- Sales rate of 0.59 for the period (2022: 0.91), broadly sustaining the higher than expected rates seen in the first quarter and secured with the controlled use of incentives and investor deals
  - Average incentive levels of 3.2% in the period on the Group's private sales (H2 2022: 1.5%)
  - Investor deals accounted for 0.03 of the sales rate in the period; continue to assess approaches from interested parties on a case-by-case basis

- Cash at 30 June 2023 of £357m, after £192m in dividend payments and £182m of land creditors paid in the period
    - Continued close WIP and cost control, to manage cash and margins while maintaining capability for upturn
    - New revolving credit facility signed in July, increasing to £700m and extending to July 2028; includes sustainability-linked metrics
- Interim dividend of 20p per share to be paid on 3 November 2023, to shareholders on the register on 13 October 2023

Operational highlights
- Maintained five-star customer satisfaction rating for second year running and have made good progress on our Trustpilot scores
- Excellent progress on build quality with a c.50% reduction in Reportable Items[6] over the last year; building homes customers can rely on at a price they can afford
- Continued targeted investment in vertical integration through a new Space4 factory and TopHat, a modular home manufacturer
- Maintained positive progress on building safety remediation programme; many active tenders and works on-going; 36 of 80 developments completed; £350m provision announced in March remains unchanged
- Continue to engage with the Competition and Markets Authority Housing Market Study

Land and planning highlights
- Selective approach to land buying with 3,245 plots brought into the business across 15 locations, maintaining good coverage across the country
- Selling outlets remained broadly flat in the period (June 2023: 273; December 2022: 272)
    - Our ambition remains to return to pre-Covid outlet numbers in the medium term, subject to planning constraints
- Sharpened approach to planning through local engagement with 5,102 plots across 33 sites achieving detailed planning consent in the period
    - Represents 120% of completions in the period; focus on seeking permissions on already owned land
    - Some progress in addressing nutrient neutrality through proactive local engagement on mitigation

Outlook
- Current forward sales position (including 5 weeks post period end) of £1.6bn; 30% lower year on year (2022: £2.2bn)
    - Forward private sales of £875.9m, up 83% compared to 1 January 2023 (£478.5m)
    - Forward private average selling prices up 0.9% compared to 1 January 2023
- Full year completions expected to be at least 9,000, the top end of our previously indicated range, with operating profits in line with expectations given stubborn build cost inflation in the period
    - Prevailing build cost inflation of around 5%, we expect it to moderate further in the months ahead

Footnotes
1 The Group's total revenues include the fair value of consideration received or receivable on the sale of part exchange properties and income from the provision of broadband internet services. Housing revenues are the revenues generated on the sale of newly built residential properties only.
2 Stated on new housing revenues of £1,089.6m (2022: £1,633.7m) and gross profit of £234.0m (2022: £506.2m).
3 Stated before goodwill impairment (2023: £5.8m, 2022: £3.2m).
4 Stated before goodwill impairment (2023: £5.8m, 2022: £3.2m) and based on new housing revenue.
5 12 month rolling average calculated on operating profit before goodwill impairment of £9.2m (2022: £5.5m) and legacy buildings provision charge of £275.0m (2022: £nil) and total capital employed (including land creditors). Capital employed being the Group's net assets less cash and cash equivalents plus land creditors.
6 A Reportable Item is an area of non-compliance with NHBC standards. The item is rectified fully before completion of the home.

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There will be an analyst and investor presentation at 09.00 today, hosted by Group Chief Executive, Dean Finch and Chief Financial Officer, Jason Windsor.

Analysts unable to attend in person may listen live via conference call by registering using the link below:
https://register.vevent.com/register/BI721dc6c73bb042db9d2365131ef60590

The presentation can be viewed via the webcast using the link below:
https://edge.media-server.com/mmc/p/gdpdpt3a/

An archived webcast of today's analyst presentation will be available on www.persimmonhomes.com/corporate from this afternoon.

CHIEF EXECUTIVE'S REVIEW

Discipline through uncertainty; strengthening future platform

Overview

Persimmon is on track for the full year to deliver results in line with expectations. In the period we have delivered a PBT of £151m, will pay an interim dividend of 20p per share and have a cash position at 30 June of £357m. Despite the significant economic, political and geo-political challenges of the last 9 months Persimmon continues to actively protect margins. Given the strength of our land bank, our focus on cost efficiency and our continued land buying expertise, this will continue.

For the full year we expect to deliver at least 9,000 completions, the top end of our previously indicated range. In the period, the Group's average private weekly sales rate was 0.59 net reservations per outlet per week. This broadly maintained the improved rate seen in the first quarter of the year following the challenges at the end of 2022, but is around 35% lower than the strong comparator of last year. Incentives have also been used in a very controlled manner at around 3.2% per plot, split roughly 2.2% cash and 1.0% non-cash. In the 5 weeks since the period closed, sales rates have been 0.41, compared to 0.69 for the same period last year. Cancellations have remained around typical rates for the year so far at c.18%.

Private average selling prices in the current forward order book are proving resilient, up 0.9% since the start of the year. Our current forward sales position is £1.6bn, 30% lower year on year (2022: £2.2bn), reflecting the Group's lower sales rates. This forward sales position is, however, over 49% higher than at the start of the year. Affordability remains the key challenge, with mortgage availability at higher loan-to-value ratios and the removal of Help to Buy impacting First Time Buyers in particular. The proportion of sales to First Time Buyers has dropped to 34% in the period, compared to 42% in the first half of last year.

In the period 4,249 completions were delivered. This is a reduction of 36% compared to the first six months of 2022, largely due to beginning the year with a lower forward order book following the market challenges experienced after last Autumn's 'mini-Budget'. The Group's average selling price of £256,445 (2022: £245,597) is up 4% year on year, partially reflecting the delivery of a greater proportion of larger homes to our customers. Underlying selling prices have remained broadly flat for the period. Together these lower completions combined with price growth has resulted in housing revenue declining by 33% to £1.09bn (2022: £1.63bn).

As anticipated in the 2022 full year results announcement, the net impact of house price inflation in the period against stubborn cost inflation, lower volumes and increased sales and marketing costs has reduced the Group's housing gross margin[1]. This together with a higher proportion of homes sold to our housing associations partners (2023: 23%; 2022: 17%) has adversely impacted housing gross margin by 950 bps.

	%
Housing gross margin H1 2022	**31.0**
Inflation impact	(4.2)
Sales rate	(2.3)
Increased proportion of completions to housing association partners	(0.9)
Sales incentives and marketing	(2.1)
Housing gross margin H1 2023	**21.5**

The Group generated an underlying housing operating margin[2] of 14.0% (2022: 27.0%).

In response to these pressures, we have rigorously sought new opportunities for efficiency and cost savings, especially in light of prevailing build cost inflation of around 5%, with a clear focus on protecting margins. As such, Persimmon's well established and disciplined cash and cost management processes are being stringently applied as we use incentives in a controlled way, carefully monitor land and work in progress investment and diligently control our already lean overhead cost base. With a total fixed cost base of £281m, we believe we compare favourably within the sector.

We are also looking to the future and have sought targeted investment, in excellent new land opportunities and our vertical integration, to enhance our capability to respond rapidly and effectively in an industry-leading way to improved market conditions.

Delivery on strategic priorities
In line with our strategic priorities, our experienced management team has focused on the following in the first half of the year:

- Maintaining a disciplined, proactive approach with cost and cash controls in place
- Vertical integration to provide efficiency and resilience in supply
- Improving sales effectiveness
- Land and planning success
- Continued focus on build quality, safety and sustainability

Maintaining a disciplined, proactive approach with cost controls in place
Persimmon's senior management teams have significant experience in applying rigorous cost control throughout the cycle, focusing on protecting margins and cash generation. Drawing on this experience, the Group acted quickly to enhance its already strong investment discipline and working capital cost controls in the fourth quarter of 2022 to protect our cash position and provide the flexibility to pursue attractive growth opportunities in the longer-term. This approach has been maintained in the first half with additional cost control measures put in place and stronger central oversight of spend within the regional businesses to balance the need for significant discipline, alongside targeted investment in long term success.

Our cost discipline is focused on four areas of 'smart' savings.

First, we are reviewing value engineering across the Group to share lessons and opportunities for efficiency, as well as further procurement savings. This involves a plot-by-plot, site-by-site review to identify areas for cost savings or value enhancement that do not compromise quality. This review typically considers, for example, whether we are optimising: the house type range on a specific site; the external works (e.g. drives, patios and retaining walls); and, the construction methods used, including whether there's more opportunity to use our own brick and tile products more widely. This enhanced review and oversight of site costs is being complemented where possible by the expanded use of procurement framework agreements and frequent supplier negotiations to reduce the impact from build cost inflation and capture any pricing opportunities as soon as possible.

Second, in an era of significant affordability challenges alongside cost inflation, we are identifying opportunities to secure savings in specifications that are less important to customers and do not compromise on quality. We believe this review could identify savings of up to £1,800 per plot. Persimmon's mission is ever-more relevant: to build homes customers can rely on at a price they can afford. In identifying opportunities for build cost savings, this work is a crucial part of achieving that.

Third, we are reviewing our sub-contractor pricing on a more frequent basis to identify opportunities to secure increased savings. We are actively retendering sites to identify savings. Just as we absorbed many price increases from sub-contractors in recent years, so we need to share the cost pressures in this new challenging environment. While there are of course variations across trades, groundworker, bricklayer and dry liner costs are in general coming down, for example. National infrastructure projects like HS2 continue to create pressures in the broader sector, however the overall inflationary pressure is reducing and we are working proactively and in a detailed manner to capture it.

Fourth, Persimmon is already a 'lean' organisation within the sector but we of course are keeping our overheads under constant review. A recruitment freeze across the Group has seen headcount reduce by nearly 300 in the period. Further reviews are on-going and we are targeting £25m annualised saving, which will benefit our 2024 operating budget. We will continue to balance the need for cost savings with our aim of ensuring the company has the ability to respond quickly to an improvement in the market to achieve our objective of growing fastest in the industry – while delivering industry-leading margins – as market conditions improve.

Underpinning all of these smart savings initiatives is the further enhancement of our disciplined control of Work In Progress to manage cash. This enhanced management has more closely matched build rates to sales with build rates in the period running at around 26% lower year-on-year at 195 units per week, while also delivering targeted progress on our build given the low number of equivalent units (c. 3,900) that we entered 2023 with. We have ended the period with around 4,700 equivalent units providing benefits from improved quality and greater customer choice. New outlet openings are also rigorously reviewed on a similar basis: balancing the cash investment required with likely customer demand and ensuring we have a strong platform for future growth. Build rates and outlet openings are kept under constant review by both local and Group management teams.

Vertical integration providing efficiency and resilience in supply
A key differentiator is Persimmon's vertical integration, especially through our BrickWorks, TileWorks and Space4 timber frame factories. These facilities provide a cost-effective, resilient supply of high-quality materials. As part of our continued review of costs and efficiencies these facilities are providing further opportunities.

At the start of the year we altered the shift patterns at our factories to ensure our manufacturing facilities remained a low cost solution for the business, but we have the ability to ramp up production quickly when market conditions improve.

We have also reviewed where we can expand the use of these products by operating regions. We have increased the use of our own products to 55% of all bricks used (2022: 41%). A switch to our own brick products typically secures a £2,000 per plot saving.

Our vertically integrated approach demonstrates both our cost-efficiency focus and how we are investing to enhance our capabilities to grow quickly when the market conditions improve. In June we secured planning permission for our new Space4 factory in Leicestershire. This next-generation factory will use advanced automation to provide up to 7,000 units a year and allow even more of the frame set to be built in the factory. The new factory will have the capability, for example, to include windows and pre-drilled electrical and plumbing spaces amongst other advances. Timber frame is currently seven weeks faster to build than traditional homes. We expect these new frames to improve that by a further two weeks at least.

Our investment in TopHat, announced in April, adds further exciting opportunities. As part of their innovative modular units, TopHat has developed an industry-leading brick façade. There is an exciting opportunity to combine this façade with our timber frame unit to provide further efficiency benefits as well as help manage the growing challenge of labour shortages in key trades with the assurance of factory-produced quality. TopHat's industry-leading modular units will also provide the opportunity to expand our range of products to customers.

Improving sales effectiveness

The period has seen significant market challenges and volatility. This has been principally caused by mortgage rate increases. There have been more welcome signs recently – albeit after only one data point – on inflation and associated reductions in some headline mortgage rates, however this only underlines the volatility in the market. Within this context the Group has worked hard to secure sales while using incentives and investor deals in a controlled way. Without this discipline we could have sold more homes, but at a lower price with the associated effect on margin. A private weekly sales rate per outlet per week of 0.59 in the period broadly maintains the improvement seen in the first quarter of the year after the market challenges following last Autumn's mini-Budget. Nonetheless, they are 35% lower than last year's strong comparator. Cancellations have remained broadly stable at typical historic levels. Taken together we are now confident we will deliver at least 9,000 legal completions in 2023, the top end of our previously indicated range. Since its introduction in 2022, Persimmon has delivered 260 homes under the Government's 'First Home' scheme, one of the largest contributions of any developer. These are below market value homes, supported by a Homes England grant.

Part exchange has proved popular, being used across the Group in approximately 19% of gross reservations in the period (2022: 5%). Within this, we are seeing a noticeable increase in existing Persimmon and Charles Church customers using part exchange to purchase a new home with us. This customer loyalty is pleasing to see as it reflects the improvements we have made to quality and customer service in recent years, as well as opening up the opportunity for further growth in repeat custom.

In this more challenging market, our recent improvements to quality and customer service while maintaining our affordability advantage are ever more important. In the period Persimmon Homes' average selling price is around 25% below the market average[3]. We are now more consistently building well-located, attractively-priced homes to a high standard. We have promoted this with increased investment in marketing, with our two main campaigns, launched on Boxing Day and over Easter, receiving strong customer interest. We are planning another campaign for the up-coming key selling season.

We have also been enhancing our digital marketing and customer service capabilities, addressing historic underinvestment in these key commercial areas and aiming to improve lead generation and conversion. We now have 'always on' digital marketing, targeting advertising at key market segments – such as First Time Buyers, young families seeking space and downsizers – with a greater propensity to buy new build homes. This more targeted approach enables more bespoke messaging to resonate with these groups and generates insight that can aid constant refinement of marketing strategy.

A new sales and marketing customer relation management (CRM) system, YourKeys, will provide a 'one-stop shop' for all customers, making their buying experience with us easier and more engaging. As well as providing real-time updates on the progress of a reserved home, parts of the purchase process can be completed online at the customer's convenience. The process will also be made more efficient for our sales agents and colleagues. The roll-out will start later this year and once implemented will provide a CRM system that can be added to in the coming years, further enhancing customer service and providing a rich database to refine our targeted marketing.

Our new approach to marketing and enhancements to customer service are helping to generate interest and enquiries. The current challenge is to convert the interest into sales. While banks are lending and there is significant – perhaps, record – levels of equity in the market, loan-to-value ratios remain high. Affordability remains the key challenge in the market and we are considering new, innovative opportunities to support First Time Buyers in particular in the absence of government policies such as Help to Buy. As well as being a core Persimmon strength, cost efficiency and savings are ever-more important to be able to offer customers the opportunity of homeownership when affordability is stretched for many.

Land and planning success
With our existing high quality land holdings, we have maintained our stringent and disciplined approach to land opportunities and continue to invest in exceptional cases to strengthen our platform for growth, at the right time, when the market improves.

Overall, land spend in the period was £240m, £176m lower than in the prior year (2022: £416m) reflecting this disciplined approach. Of the £240m land spend, £182m was the settlement of land creditors (2022: £136m). In addition, we brought 3,245 plots across 15 sites into our owned and under control land holdings in the period. The majority were in the North and Scotland where average selling prices have remained firm or increased. Overall the land we brought in reflected our balanced coverage across the country, a key differentiator for our business. Persimmon's competitive edge is our ability to operate successfully nationally, with our land teams utilising specific local knowledge. At 30 June 2023, our owned and under control land holdings stood at 84,751 plots (December 2022: 87,190).

With an increasingly lengthy and complex planning system, we are focused on bringing our land pipeline through the planning system, prioritising already owned plots. We have put new systems and processes in place to seek more and faster permissions where possible. Our central planning team has set clear new guidelines, including a Placemaking Framework, that balance Persimmon's key strength of plotting efficiency with excellent design and masterplanning that meet increasingly stringent local requirements. This is complemented by a proactive public affairs strategy that engages local authorities and key stakeholders at an earlier stage of the application process to ensure we are also reflecting local priorities in both the detail and presentation of our plans. This is supported by regular Group-level review to identify opportunities for success.

Although this new approach is still bedding in, we secured full or reserved matters planning permissions for 5,102 plots in the first half of the year, 120% above our completions in the same period. At 30 June 2023 we had 273 selling outlets (December 2022: 272). We are closely monitoring new openings and the associated investment required against sales projections. We are also, however, seeking to enhance our platform for future growth and have a nationwide network of well-located outlets to meet an increase in demand. Our ambition remains, therefore, to get back to a pre-Covid outlet position in the medium term.

Continued focus on build quality, safety and sustainability
Persimmon's focus on consistent delivery of high-quality homes through Build Right, First Time, Every Time in recent years has been crucial for both customer service and cost-efficiency. We are delighted to have maintained our 5-star HBF rating, awarded to us for the second year running in March. This demonstrates our improved delivery of consistently high-quality homes through our Persimmon Way build quality programme. For the new survey year, our HBF 8-week customer satisfaction score[4] is currently 92.3%, reflecting our on-going focus. Our Trustpilot scores continue to improve, with Persimmon Homes now 4.1 stars and Charles Church, 4.2. In January 2022 these scores were 3.0 and 2.5 stars, respectively.

A crucial indicator of our success in Build Right, First Time, Every Time is our progress on NHBC Reportable Items (RI) [5]. These RIs follow independent assessment of our build quality by warranty providers, in this case NHBC. An RI indicates a build error that needs addressing before occupation and is marked as an average score per assessment. In the last year we have seen a c.50% improvement in our score, to 0.26 RIs per inspection. This is now better than the industry average and whereas 3 years ago we were regularly the worst performing major builder, we are currently towards the top of the league table.

Persimmon's key safety indicators are strong within the industry. Nonetheless, a good business should be striving to reduce all harm where it can and ensure the safety and well-being of colleagues, customers and the local community. As part of our continual review of safety performance and approach, we will launch enhanced policies and a new measurement system that will help achieve an objective of 'zero harm' within Persimmon.

We continue to make good progress against our carbon-reduction targets. These targets were accredited by the blue-ribbon Science Based Targets initiative and include the stretching aim for all our homes to be zero carbon in use by 2030 and our operations to be net zero by 2040. Persimmon's approach is to deliver ahead of established carbon-reduction targets where possible, whilst ensuring cost effectiveness for customers. We continue to pursue trials of innovative materials and construction processes to deliver this, including our second zero carbon home in Malmesbury and new heating systems and technologies. Our investment in TopHat also provides access to their ultra-efficient modular homes and build processes.

Outlook
While the house building sector is navigating a challenging economic environment, Persimmon's focus on discipline, cost control and margin protection while enhancing our operational capabilities continues. We have and will continue to manage the balance sheet very robustly. We remain on track to deliver our profit expectations for the year.

We have broadly maintained sales rates through the period, despite market volatility and a very controlled use of investor deals and sales incentives. We have been contacted by a number of interested parties looking to secure investor deals and we will continue to assess them on a case-by-case basis. While we ended the period with a forward sales position of £1.4bn, 27% lower year on year (2022: £1.9bn), private average selling prices in the forward order book are up 0.6% year on year and in line with the position coming into 2023. In the 5 weeks since the period ended, the forward sales position has grown to £1.6bn, with private average selling prices remaining firm. Within the £1.6bn, the private sales are up 83% since the start of the year. While there are potential signs of some mortgage rates reducing from recent highs, market volatility is likely to continue and affordability concerns remain. We are exploring innovative ways to help customers realise their ambition of owning a home and are seeing pleasing examples of enhanced loyalty especially through our Part Exchange offer. We expect to deliver at least 9,000 completions this year, the top end of our previously indicated range, with margins as outlined at our year end announcement.

Prevailing build cost inflation of around 5% is a reduction from the highs seen earlier in the year and we expect it to moderate further in the months ahead. Disciplined cost control will continue as we actively protect our margin. Regular interrogation of build processes, product specifications and sub-contractors will drive opportunities for savings, as will on-going overhead reviews. We have continued our stringent and targeted approach to new land additions, which are strengthening our platform for future growth. Our ambition to grow our national outlet network back to pre-Covid levels in the medium term remains, subject to the challenges in the planning system where our new enhanced approach is demonstrating some early success. Our new Space4 facility and investment in the country's most innovative modular home manufacturer, TopHat, provide exciting opportunities for cost and build efficiencies, while delivering factory-guaranteed quality.

Persimmon has two well-known private brands with significantly improved customer reputations, operating from a nationwide network of outlets and offering a broad range of attractively priced and high-quality homes to customers. With the long-term fundamentals of the housing market strong as shortages of new homes and developable land persist, our strengthening platform for future growth is exciting. Just as we have been – and continue to be – very careful to manage the business as the market conditions deteriorated, so we must be ready to respond quickly as they improve.

Persimmon has an excellent track record of delivering strong returns through the cycle. Our unique combination of strengths – value proposition, nationwide network and in-house manufacturing capabilities – augmented by our improved reputation for quality and service with customers and stakeholders means our ambition is to grow quickly as the market improves, while delivering an industry-leading margin. We believe this will again drive strong returns through the next cycle. It is an exciting prospect.

Dean Finch
Group Chief Executive

Footnotes
1 Stated on new housing revenues of £1,089.6m (2022: £1,633.7m) and gross profits of £234.0m (2022: £506.2m).
2 Stated on new housing revenue of £1,089.6m (2022: £1,633.7m) and underlying profit from operations of £152.2m (2022: £440.7m) calculated before goodwill impairment of £5.8m (2022: £3.2m).
3 National average selling price for new build homes sourced from the UK House Price Index as calculated by the Office for National Statistics from data provided by HM Land Registry.
4 The Group participates in a National New Homes Survey, run by the Home Builders Federation. The rating system is based on the number of customers who would recommend their builder to a friend.
5 A Reportable Item is an area of non-compliance with NHBC standards. The item is rectified fully before completion of the home.

FINANCIAL REVIEW

Trading
The Group generated total revenue[1] of £1.19bn (2022: £1.69bn), with new housing revenue of £1.09bn (2022: £1.63bn).

Legal completions, as anticipated, were lower than the prior year and reflect the lower forward order book position at the start of the year and reduced sales activity. The Group delivered 4,249 new homes (2022: 6,652) at an average selling price of £256,445 (2022: £245,597) which is 4% higher year on year, partially due to an increased proportion of larger homes sold offset by a greater proportion of homes to our housing association partners than the prior year period.

The Group delivered 3,281 new homes to its private owner occupier customers (2022: 5,553) at an average selling price 8% higher than a year ago (2023: £288,327; 2022: £267,325), reflecting greater demand for our three, four and five bed homes and mix of sites in the period. While interest remains good for all our homes, sales to first time buyers remain more challenging and reduced to 34% of private completions in the first half, reflecting stretched affordability and reduced mortgage availability at higher loan-to values, particularly in regions with higher house prices. The Group also delivered 968 homes to our housing association partners (2022: 1,099) at an average selling price of £148,382 (2022: £135,813), with the investment in a new housing association team proving very valuable to the Group.

As mentioned earlier, the greater proportion of housing association delivery along with the impact of lower volumes and build cost inflation of around 8-9% in the period, resulted in a decrease in the Group's housing gross margin[2] to 21.5% (2022: 31.0%).

The Group's gross profit for the period of £234.0m (2022: £506.2m) continues to be supported by the Group's well established land replacement strategy, with land cost recoveries[3] of 11.2% of new housing revenue for the period (2022: 11.9%).

Underlying housing operating margin[4] of 14.0% has been impacted by operating deleverage due to the reduced levels of completions, along with higher operating expenses and inflationary pressures (2022: 27.0%). Underlying operating profit[5] for the Group was £152.2m (2022: £440.7m).

The Group generated a profit before tax of £151.0m in the period (2022: £439.7m).

Land
Since Q4 2022, we have taken a highly selective approach to land. As of 30 June 2023, we had 273 active sales outlets, up from 257 a year ago, with an average of 267 in the first half. As highlighted at our 2022 full year results in March, the average number of outlets is expected to be broadly similar to last year, reflecting selective investment and the ongoing effect of a slow planning system.

During the period the Group reduced our owned and under control land holdings to 84,751, from 87,190 plots at 31 December 2022, with 35,086 of these plots benefitting from detailed planning consents and are under development.

The Group brought 3,245 plots into the business across 15 locations throughout the country with 370 of these plots converted from our strategic land portfolio. At 30 June 2023, Persimmon's owned land holdings of 68,461 plots (2022: 72,036 plots) have an overall pro forma gross margin[6] of c. 31% and a cost to revenue ratio of 11.4%[7] (2022: 11.8%).

To supplement these land holdings, the Group has c.13,100 acres of strategic land in its portfolio with the potential to deliver up to 100,000 new homes. This includes excellent visibility over c.20,500 plots that are held under option and proceeding through planning.

During the period the Group incurred land spend of £240.4m, including £181.8m of payments in satisfaction of deferred land commitments.

Building safety
During the period, we signed both the UK Government's Self Remediation Contract (in England) and also the Welsh Government's Developers' Pact, which turn the respective Building Safety Pledges into binding commitments. On 1 August, the Department for Levelling Up, Housing and Communities announced that we had joined the associated Responsible Actors Scheme; failure to join the scheme threatens the use of planning and building control sanctions on relevant developers who are not meeting their remediation commitments. Alongside other developers we signed the Scottish Safer Buildings Accord in May and discussions are on-going between the industry and Scottish Government to agree a long form contract. While these discussions are on-going, we continue to make progress on Scottish developments to deliver on our previously stated commitments.

Across our programme as a whole we continue our proactive approach of working with Management Companies, factors (in Scotland) and their agents to carry out necessary remediation as soon as possible. The table below sets out our detailed position at 4 August 2023, compared to 1 March 2023. The total number of eligible developments has increased to 80 from 73, as new buildings we were not aware of on 1 March 2023 came in to our programme. Very recently, 5 developments have come into our programme and are currently being assessed for the scope of eligible works. Initial investigations suggest 4 of these buildings will only require minimal works.

Of the total of 80 developments in our programme 36 (45%) have already seen any necessary works completed (an increase of 3 since the start of the year). Of the remaining 44, 14 currently have work on site and 25 are at varying stages of pre-tender, live tender, contractualisation or agreed contract and works starting very soon. As the pre-tender and on site lines in the table below demonstrate in particular, developments are actively progressing through the programme.

Identified developments	**As of 4 Aug 2023**	**As of 1 March 2023**
Recently made aware and under investigation	5	-
Pre-tender preparation on-going	9	21
Live tender process	3	2
Sub-total: progressing through tender	**17**	**23**
Progressing to contract	12	8
Contracted but works yet to start	1	-
Sub-total: pre-works starting	**30**	**31**
Currently on site	14	9
Sub-total: to complete	**44**	**40**
Completed developments	36	33
Total identified developments	**80**	**73**

In the period we spent £16m on the programme, with total expenditure so far now just over £30m. The next 18 months, and 2024 especially, are projected to be the peak period of cash expenditure on this programme. We guided at the beginning of the year that we expect the programme to be concentrated over three years and that remains the case. Our ambition remains to be on site on all currently known developments by the end of this year. Given our own proactive approach and the sustained and significant publicity around cladding and building safety, we do not anticipate significant new building additions into the programme. We believe our existing provision remains sufficient.

Disciplined investment and spending

During the period, we continued targeted investment into the business to enhance quality, efficiency and returns as we build a more sustainable business. While the market remains uncertain in the near-term, we are ensuring that our business is ready for the recovery when it comes, retaining key capabilities and enhancing our processes to enable best practice to be shared across the Group.

Within our ongoing disciplined approach, the Group has applied additional cost control measures, including stronger central oversight and the expanded use of frameworks agreements in procurement. As part of these measures, the Group has also implemented a hiring freeze, unless business critical. We continue to retain our key capabilities to ensure readiness for upturn.

Our focus is on maintaining disciplined investment to enhance quality, efficiency and returns, through our vertical integration, capabilities of our sales teams and targeted nature of our build programmes.

Robust balance sheet and active cash management

The Group had a cash balance of £357.0m at 30 June 2023 (December 2022: £861.6m) with land creditors of £355.9m (December 2022: £472.8m), of which £85.8m is expected to be paid by the end of the year and a further £93.1m due in the first half of 2024. The Group generated £155.3m of cash from operating activities in the period (2022: £451.1m), before returning £191.5m of capital to shareholders in respect of a dividend for full year 2022 and investing £418.4m in working capital (being principally c.£117m in net land and £213m in net work in progress). This investment in land and work in progress along with the Group's healthy liquidity will provide further opportunity to continue to support the future growth of the business as we position the Group for growth in outlets in 2024.

At 30 June 2023, the Group had work in progress of c.4,700 equivalent units of new home construction an increase on the low position at the start of the year (December 2022: c.3,900). We remain disciplined in regard to work in progress investment, managing appropriate levels of build against customer demand, facing into the continuing operational challenges within the industry and whilst securing the availability of key build components through our in-house manufactured bricks, roof tiles, closed panel timber frame kits and pre-manufactured roof cassettes. Overall, build rates tracked at 195 equivalent units per week versus 264 in the first half of 2022 and 288 in the second half of 2022.

The Group has a robust balance sheet with high quality land holdings, strong levels of work in progress investment and healthy levels of liquidity. We continue to exert disciplined control over work in progress while investing to strengthen our platform for future growth. At 30 June 2023 the Group had land holdings of £2.09bn and work in progress of £1.48bn, an increase of £213.0m compared to 31 December 2022.

As at 30 June 2023, we owned 451 part exchange properties (December 2022: 286 properties) at a value of £85.8m (December 2022: £61.0m). Part exchange continues to be a key sales incentive for our customers and we are progressing sales of any part exchange properties promptly and around expected values.

In July the Group signed a new undrawn Revolving Credit Facility (RCF) of £700m which has a 5 year term out to July 2028. This facility replaced the Group's existing £300m revolving credit facility which was due to expire on 31 March 2026. We had good support from banking partners, with a consortium of 5 participating banks. The RCF is a 'Sustainability Linked' facility within the banks' finance frameworks, with ESG targets covering the facility's term. The targets are consistent with the Group's science based operational carbon reduction targets, our commitment to deliver net zero homes in use by 2030 and our long standing ambition to deliver excellent development opportunities for our colleagues.

The Group's defined benefit net pension asset has decreased to £149.4m at 30 June 2023 (December 2022: £155.9m) mainly reflecting the underperformance of asset returns when compared to the standard expected returns at the start of the year and an increase in inflation assumptions offset in part by an increase in the discount rate assumption applied to the scheme obligations.

Total equity decreased to £3,356.1m from £3,439.3m at 31 December 2022. Reported net assets per share of 1,050.7p represents a 2.4% decrease from 1,077.0p at 31 December 2022. Underlying return on average capital employed[8] as at 30 June was 21.1% (December 2022: 30.4%), demonstrating the resilience of the business and the investment made to support future growth. Underlying basic earnings per share[5] for the first six months of 2023 was 36.2p, a 66.3% decrease compared to the prior period (2022: 107.5p).

Capital Allocation

The Group's capital allocation policy is to deliver sustainable returns to shareholders while investing in future growth through disciplined expansion of our land portfolio.

For 2023, the Board has declared an interim dividend of 20p per share, which will be payable on 3 November, to shareholders on the register on 13 October. The Board's intention is to maintain the 2022 dividend of 60p per share, with a view to growing this over time.

As the Group invests in further growth, our long-standing financial discipline will continue in all land appraisals and decisions to open outlets. We do expect cash balances to reduce, but the Group will continue to maintain a robust balance sheet, with low leverage. We currently anticipate cash at year end will be between £300m and £500m.

Jason Windsor
Chief Financial Officer

Footnotes

1 The Group's total revenues include the fair value of consideration received or receivable on the sale of part exchange properties and income from the provision of broadband internet services. New housing revenues are the revenues generated on the sale of newly built residential properties only.
2 Stated on new housing revenues of £1,089.6m (2022: £1,633.7m) and gross profits of £234.0m (2022: £506.2m).
3 Land cost value for the plot divided by the revenue of the new home sold.
4 Stated on new housing revenue of £1,089.6m (2022: £1,633.7m) and underlying profit from operations of £152.2m (2022: £440.7m) calculated before goodwill impairment of £5.8m (2022: £3.2m).
5 Stated before goodwill impairment of £5.8m (2022: £3.2m).
6 Estimated weighted average gross margin based on assumed revenues and costs at 30 June 2023 and normalised output levels.
7 Land cost value for the plot divided by the anticipated future revenue of the new home sold.
8 12 month rolling average calculated on underlying operating profit and total capital employed (including land creditors). Underlying operating profit is stated before goodwill impairment of £9.2m (2022: £5.5m).

Appendices

2023 quarterly performance	HY 22	FY 22	Q1 23	Q2 23	HY 23
Completions (homes)	6,652	14,868	1,136	3,113	**4,249**
Private (homes)	5,553	12,174	902	2,379	3,281
Housing Association (homes)	1,099	2,694	234	734	968
Net private sales rate	0.91	0.69	0.62	0.58	**0.59**
FTB[1] % (private completions)	42%	42%	38%	33%	34%
Average sales outlets	250	259	266	268	**267**

1 First time buyers

Forward sales position

	30 June 2023		30 June 2022		Variance	
Forward sales	**Value**	**Homes**	**Value**	**Homes**	**Value**	**Homes**
Private	£0.7bn	2,516	£1.3bn	4,682	£(0.6)bn	(2,166)
Housing Association	£0.7bn	4,209	£0.6bn	4,148	+£0.1bn	+61
Total	**£1.4bn**	**6,725**	**£1.9bn**	**8,830**	**£(0.5)bn**	**(2,099)**

PERSIMMON PLC
Condensed Consolidated Statement of Comprehensive Income
For the six months to 30 June 2023 (unaudited)

	Note	**Six months to 30 June 2023** **Total £m**	Six months to 30 June 2022 Total £m	Year to 31 December 2022 Total £m
Total revenue	3	**1,188.5**	1,688.6	3,815.8
Cost of sales		**(954.5)**	(1,182.4)	(2,948.3)
Gross profit		**234.0**	506.2	867.5
Other operating income		**4.1**	6.2	10.3
Operating expenses		**(91.7)**	(74.9)	(152.9)
Profit from operations		**146.4**	437.5	724.9
Analysed as:				
Underlying operating profit		**152.2**	440.7	1,006.5
Legacy buildings provision		**-**	-	(275.0)
Impairment of intangible assets		**(5.8)**	(3.2)	(6.6)
Finance income		**11.2**	4.6	9.9
Finance costs		**(6.6)**	(2.4)	(4.1)
Profit before tax		**151.0**	439.7	730.7
Analysed as:				
Underlying profit before tax		**156.8**	442.9	1,012.3
Legacy buildings provision		**-**	-	(275.0)
Impairment of intangible assets		**(5.8)**	(3.2)	(6.6)
Tax	5	**(41.3)**	(99.9)	(169.7)
Profit after tax (all attributable to equity holders of the parent)		**109.7**	339.8	561.0
Other comprehensive (expense)/income				
Items that will not be reclassified to profit:				
Re-measurement (losses)/gains on defined benefit pension schemes	13	**(9.7)**	59.4	5.2
Tax	5	**2.7**	(16.7)	(7.6)
Other comprehensive (expense)/income for the period, net of tax		**(7.0)**	42.7	(2.4)
Total recognised income for the period		**102.7**	382.5	558.6
Earnings per share				
Basic	6	**34.4p**	106.5p	175.8p
Diluted	6	**34.1p**	105.9p	174.3p

PERSIMMON PLC
Condensed Consolidated Balance Sheet
As at 30 June 2023 (unaudited)

	Note	**30 June 2023 £m**	30 June 2022 £m	31 December 2022 £m
Assets				
Non-current assets				
Intangible assets		**167.2**	176.2	173.0
Property, plant and equipment		**133.0**	107.6	118.6
Investments accounted for using the equity method	1	**1.0**	0.3	0.3
Shared equity loan receivables	9	**27.8**	32.4	29.1
Trade and other receivables	1	**7.1**	0.6	0.3
Deferred tax assets		**11.8**	9.7	10.5
Retirement benefit assets	13	**149.4**	209.4	155.9
		497.3	536.2	487.7
Current assets				
Inventories	8	**3,705.1**	3,402.7	3,462.9
Shared equity loan receivables	9	**6.3**	7.9	6.9
Trade and other receivables		**144.2**	151.5	193.2
Current tax assets		**1.4**	32.5	21.8
Cash and cash equivalents	12	**357.0**	782.0	861.6
		4,214.0	4,376.6	4,546.4
Total assets		**4,711.3**	4,912.8	5,034.1
Liabilities				
Non-current liabilities				
Trade and other payables		**(184.7)**	(267.6)	(214.8)
Deferred tax liabilities		**(70.8)**	(74.0)	(72.1)
Partnership liability		**(14.6)**	(18.9)	(19.6)
Legacy buildings provision	10	**(146.2)**	-	(196.8)
		(416.3)	(360.5)	(503.3)
Current liabilities				
Trade and other payables		**(767.1)**	(863.6)	(949.4)
Partnership liability		**(5.6)**	(5.6)	(5.6)
Legacy buildings provision	10	**(166.2)**	(69.3)	(136.5)
		(938.9)	(938.5)	(1,091.5)
Total liabilities		**(1,355.2)**	(1,299.0)	(1,594.8)
Net assets		**3,356.1**	3,613.8	3,439.3
Equity				
Ordinary share capital issued		**31.9**	31.9	31.9
Share premium		**25.6**	25.6	25.6
Capital redemption reserve		**236.5**	236.5	236.5
Other non-distributable reserve		**276.8**	276.8	276.8
Retained earnings		**2,785.3**	3,043.0	2,868.5
Total equity		**3,356.1**	3,613.8	3,439.3

PERSIMMON PLC
Condensed Consolidated Statement of Changes in Shareholders' Equity
For the six months to 30 June 2023 (unaudited)

	Share capital	Share premium	Capital redemption reserve	Other non-distributable reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
Six months ended 30 June 2023:						
Balance at 1 January 2023	**31.9**	**25.6**	**236.5**	**276.8**	**2,868.5**	**3,439.3**
Profit for the period	-	-	-	-	109.7	109.7
Other comprehensive expense	-	-	-	-	(7.0)	(7.0)
Transactions with owners:						
Dividends on equity shares	-	-	-	-	(191.5)	(191.5)
Own shares purchased	-	-	-	-	(1.2)	(1.2)
Share-based payments (net of tax)	-	-	-	-	6.8	6.8
Balance at 30 June 2023	**31.9**	**25.6**	**236.5**	**276.8**	**2,785.3**	**3,356.1**
Six months ended 30 June 2022:						
Balance at 1 January 2022	**31.9**	**24.9**	**236.5**	**276.8**	**3,055.1**	**3,625.2**
Profit for the period	-	-	-	-	339.8	339.8
Other comprehensive income	-	-	-	-	42.7	42.7
Transactions with owners:						
Dividends on equity shares	-	-	-	-	(399.0)	(399.0)
Issue of new shares	-	0.7	-	-	-	0.7
Share-based payments (net of tax)	-	-	-	-	4.4	4.4
Balance at 30 June 2022	**31.9**	**25.6**	**236.5**	**276.8**	**3,043.0**	**3,613.8**
Year ended 31 December 2022:						
Balance at 1 January 2022	**31.9**	**24.9**	**236.5**	**276.8**	**3,055.1**	**3,625.2**
Profit for the year	-	-	-	-	561.0	561.0
Other comprehensive expense	-	-	-	-	(2.4)	(2.4)
Transactions with owners:						
Dividends on equity shares	-	-	-	-	(750.1)	(750.1)
Issue of new shares	-	0.7	-	-	-	0.7
Own shares purchased	-	-	-	-	(0.7)	(0.7)
Exercise of share options/share awards					(1.0)	(1.0)
Share-based payments (net of tax)	-	-	-	-	5.6	5.6
Satisfaction of share options from own shares held	-	-	-	-	1.0	1.0
Balance at 31 December 2022	**31.9**	**25.6**	**236.5**	**276.8**	**2,868.5**	**3,439.3**

PERSIMMON PLC
Condensed Consolidated Cash Flow Statement
For the six months to 30 June 2023 (unaudited)

	Note	**Six months to 30 June 2023**	Six months to 30 June 2022	Year to 31 December 2022
		£m	£m	£m
Cash flows from operating activities:				
Profit for the period		**109.7**	339.8	561.0
Tax charge	5	**41.3**	99.9	169.7
Finance income		**(11.2)**	(4.6)	(9.9)
Finance costs		**6.6**	2.4	4.1
Depreciation charge		**8.6**	7.5	15.8
Impairment of intangible assets		**5.8**	3.2	6.6
Legacy buildings provision	10	**-**	-	275.0
Share-based payment charge		**6.6**	5.9	9.0
Net imputed interest (expense)/income		**(4.4)**	1.2	2.1
Other non-cash items		**(7.7)**	(4.2)	(7.9)
Cash inflow from operating activities		**155.3**	451.1	1,025.5
Movement in working capital:				
Increase in inventories		**(240.7)**	(477.2)	(532.5)
Decrease/(increase) in trade and other receivables		**72.0**	(31.2)	(81.1)
(Decrease)/increase in trade and other payables		**(252.5)**	113.3	141.1
Decrease in shared equity loan receivables		**2.8**	7.4	13.3
Cash (absorbed)/generated from operations		**(263.1)**	63.4	566.3
Interest paid		**(2.2)**	(2.6)	(3.3)
Interest received		**7.8**	1.4	3.5
Tax paid		**(20.7)**	(109.5)	(164.2)
Net cash (outflow)/inflow from operating activities		**(278.2)**	(47.3)	402.3
Cash flows from investing activities:				
Investment in an associate		**(0.7)**	-	-
Acquisition of loan notes		**(6.8)**	-	-
Acquisition of a subsidiary		**-**	(0.2)	(0.2)
Purchase of property, plant and equipment		**(20.3)**	(13.7)	(30.5)
Proceeds from sale of property, plant and equipment		**0.4**	0.7	0.9
Net cash outflow from investing activities		**(27.4)**	(13.2)	(29.8)
Cash flows from financing activities:				
Lease capital payments		**(2.0)**	(1.8)	(3.3)
Payment of Partnership liability		**(4.3)**	(4.0)	(4.1)
Own shares purchased		**(1.2)**	-	(0.7)
Share options consideration		**-**	0.7	0.7
Dividends paid	7	**(191.5)**	(399.0)	(750.1)
Net cash outflow from financing activities		**(199.0)**	(404.1)	(757.5)
Decrease in net cash and cash equivalents	12	**(504.6)**	(464.6)	(385.0)
Cash and cash equivalents at the start of the period		**861.6**	1,246.6	1,246.6
Cash and cash equivalents at the end of the period	12	**357.0**	782.0	861.6

Notes

1. Basis of preparation

The half year condensed financial statements for the six months to 30 June 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with UK adopted International Accounting Standard ("IAS") 34 Interim Financial Reporting. The half year financial statements are unaudited, but have been reviewed by the auditors whose report is set out at the end of this report. This report should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK adopted IFRS.

The comparative figures for the financial year ended 31 December 2022 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements.

The following relevant UK endorsed new amendments to standards are mandatory for the first time for the financial year beginning 1 January 2023:

- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting policies

The effects of the implementation of these amendments have been limited to disclosure amendments where applicable.

The Group has not applied the following new amendments to standards which are endorsed but not yet effective:

- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The Group is currently considering the implication of these amendments with the expected impact upon the Group being limited to disclosures if applicable.

Going concern

The Group's performance in the six months ended 30 June 2023 has been resilient when faced by a number of challenges and a period of uncertainty. Persimmon's long-term strategy, which recognises the risks associated with the housing cycle by maintaining operational flexibility, investing in high quality land, minimising financial risk and deploying capital at the right time in the cycle, has equipped the business with strong liquidity and a robust balance sheet.

The Group delivered 4,249 new homes (2022: 6,652) and generated profit before tax of £151.0m (2022: £439.7m) in the period. At 30 June 2023, the Group had a strong balance sheet with £357.0m of cash (2022: £782.0m), high quality land holdings and land creditors of £355.9m (December 2022: £472.8m). In addition, on 5 July the Group renewed its Revolving Credit Facility increasing it from £300m to £700m, with a five year term out to 5 July 2028. The facility was undrawn during the period and remains undrawn at this time.

The Group's forward order book, including legal completions recognised in the second half, stands at c. £1.6bn.

The Directors have reviewed the Group's principal risks, see note 14 of this announcement, and determined that there are no new principal risks facing the business to those disclosed in the financial statements for the year ended 31 December 2022. The Directors considered the impact of these risks on the going concern of the business when approving these full year financial statements for the Group.

Given the Group's trading performance during the first six months of the year against the challenges it faced, together with its robust sales rates and forward sales position, the Directors believe that the comprehensive review performed for the viability statement included in the Group's Annual Report 2022 remains relevant and valid.

The Directors consider the going concern assessment to be to 31 December 2024 and have assessed the impact of a severe but plausible downside scenario for the housing market, from the date of this announcement to 31 December 2024, on the resilience of the Group. This downside scenario models a fall in housing revenue, when compared to full year 2022, of c. 37% for full year 2023 with a further c. 44% fall in housing revenue in full year 2024, when compared to the forecast 2023 revenue, along with the likely effectiveness of mitigating actions that would be executed by the Directors. The fall in housing revenue factors in both volumes and average selling price in arriving at the housing revenue value modelled. The assumption used in this scenario reflects the experience management gained during the Global Financial Crisis from 2007 to 2010, it being the worst recession seen in the housing market since World War Two. Throughout this scenario, the Group is assumed to manage cash flows to ensure all relevant land, work in progress and operational investments were made in the business at the appropriate time to deliver the projected new home legal completions. The scenario also fully reflects the current estimate of cash outflows, value and timing, associated with the legacy buildings provision.

In addition the Group has been increasingly assessing climate related risk and opportunities that may be presented to the Group. During the period assessed for going concern no significant risk has been identified that would materially impact the Group's ability to generate sufficient cash and continue as a going concern.

Having considered the inherent strength of the UK housing market, the resilience of the Group's average selling prices, the Group's scenario analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed consolidated half year financial statements.

Estimates and judgements

The preparation of these half year condensed financial statements requires management to make judgements and estimations of uncertainty at the balance sheet date. The key areas where judgements and estimates are significant to the financial statements are land and work in progress (see note 8), shared equity loan receivables (see note 9 and note 11), goodwill, brand intangibles, provisions and pensions as disclosed in note 3 of the Group's annual financial statements. The estimates and associated assumptions are based on management expertise and historical experience and various other factors that are believed to be reasonable under the circumstances.

Goodwill and brand intangibles

The key sources of estimation uncertainty in respect of goodwill and brand intangibles are disclosed in notes 3 and 14 of the Group's annual financial statements for the year ended 31 December 2022.

The goodwill allocated to the Group's acquired strategic land holdings is further tested by reference to the proportion of legally completed plots in the period compared to the total plots which are expected to receive satisfactory planning permission in the remaining strategic land holdings, taking account of historic experience and market conditions. This review resulted in an underlying impairment charge of £1.8m recognised during the period. This impairment charge reflects ongoing consumption of the acquired strategic land holdings and is consistent with prior years.

During the period Horsebridge Network Systems Limited ceased trading. As a result, the £4.0m of goodwill that arose on the acquisition of Horsebridge Network Systems Limited in 2022 has been written off in the period.

Investments in associates

During the period the Group has invested £0.7m in the equity of a new associate, TopHat Enterprises Limited (TopHat). This investment is reported under the equity method of accounting. In addition to this equity investment the Group has acquired £6.8m of interest bearing long-term loan notes issued by TopHat. These are reported within non-current trade and other receivables at 30 June 2023. The Group has also committed to acquire a further £17.5m of interest bearing long-term loan notes from TopHat in January 2024.

2. Segmental analysis

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Executive Board. The Executive Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

3. Revenue

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Revenue from the sale of new housing	**1,089.6**	1,633.7	3,696.4
Revenue from the sale of part exchange properties	**93.3**	50.9	110.6
Revenue from the provision of internet services	**5.6**	4.0	8.8
Revenue from the sale of goods and services as reported in the statement of comprehensive income	**1,188.5**	1,688.6	3,815.8

4. Exceptional Items

During 2022 the Group recognised an exceptional charge of £275.0m in relation to the increase in the anticipated costs of the Group's commitments to support leaseholders in buildings we had developed with the costs of removal of combustible cladding and other fire related remediation works. This reflected the extended commitment of the government long form contract, the identification of further developments for which we are now responsible, and a greater understanding of remediation costs. Further detail on this matter is provided in note 10 to this announcement.

This was disclosed as an exceptional item due to the non-recurring nature and scale of the charge, in order to aid understanding of the financial performance of the Group and to assist in the comparability of financial performance between accounting periods.

5. Tax

The tax charge for the period includes both current and deferred tax. The tax charge is based upon the expected tax rate for the full year, which is applied to taxable profits for the period, together with any charge or credit in respect of prior years. Current tax, includes both UK corporation tax and Residential Property Developer Tax (RPDT). Deferred Tax is calculated as the tax payable or recoverable in future accounting periods in respect of temporary differences which may be taxable or allowed as deductible. Temporary differences represent the difference between the carrying amount of an asset or liability in the financial statements and the relevant tax base. The effective rate of tax for the period was 27.3% which was higher than in previous periods (31 December 2022: 23.2%; 30 June 2022: 22.2%) and reflects the increased rates of corporation tax and RPDT noted below.

Analysis of the tax charge for the period

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Tax charge comprises:			
UK corporation tax in respect of the current period	**35.6**	98.6	138.8
RPDT in respect of the current year	**5.5**	-	28.7
Adjustments in respect of prior years	**-**	-	(2.8)
	41.1	98.6	164.7
Deferred tax relating to origination and reversal of temporary differences	**0.6**	1.3	-
Impact of introduction of RPDT on deferred tax	**(0.4)**	-	3.9
Adjustments recognised in the current year in respect of prior years' deferred tax	**-**	-	1.1
	0.2	1.3	5.0
Tax charge for the year recognised in Statement of Comprehensive Income	**41.3**	99.9	169.7

The tax charge for the period can be reconciled to the accounting profit as follows:

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Profit from continuing operations	**151.0**	439.7	730.7
Tax calculated at UK corporation tax rate (inclusive of RPDT)	**41.5**	99.0	160.8
Accounting base cost not deductible for tax purposes	**-**	0.1	-
Goodwill impairment losses that are not deductible	**0.8**	0.6	1.2
Expenditure not allowable for tax purposes	**0.5**	0.1	0.8
Introduction of RPDT	**(0.2)**	1.2	3.9
Items not deductible for RPDT	**(0.5)**	(0.6)	6.8
Enhanced tax reliefs	**(0.8)**	(0.5)	(2.1)
Adjustments in respect of prior years	**-**	-	(1.7)
Tax charge for the period recognised in Statement of Comprehensive Income	**41.3**	99.9	169.7

The UK corporation tax rate increased from 19% to 25% with effect from 1 April 2023. The legislation to increase the corporation tax rate was enacted on 10 June 2021 and accordingly the impact on deferred tax was included in the tax charge in the 2021 financial reporting periods and in the re-measurement of the relevant deferred tax assets and liabilities in the Balance Sheet at 31 December 2021. RPDT came into effect on 1 April 2022 and taxes residential property development profits in excess of an annual allowance of £25m at a rate of 4%. The legislation to introduce the RPDT was enacted on 24 February 2022 and accordingly the impact on deferred tax was included in the tax charge in the 2022 financial reporting periods and in the re-measurement of the relevant deferred tax assets and liabilities in the Balance Sheet at 31 December 2022.

Deferred tax recognised in other comprehensive income

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Recognised on re-measurement charges on pension schemes	**(2.7)**	16.7	7.6

Tax recognised directly in equity

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Arising on transactions with equity participants			
Current tax related to equity settled transactions	**(0.1)**	-	(0.8)
Deferred tax related to equity settled transactions	**(0.1)**	1.5	4.2
	(0.2)	1.5	3.4

With regard to the UK adoption of OECD Pillar 2 there is no impact from the implementation of the UK's domestic top-up tax as the Group does not have any profits arising in any entities which are located in a non-UK jurisdiction and which are taxed below the minimum rate of tax of 15%.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period (excluding those held in the employee benefit trust) which were 319.2m (June 2022: 319.2m; December 2022: 319.2m).

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares from the start of the period, giving a figure of 321.7m (June 2022: 320.8m; December 2022: 321.8m).

Underlying earnings per share excludes the legacy buildings provision charge and goodwill impairment. The earnings per share from continuing operations were as follows:

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
Basic earnings per share	**34.4p**	106.5p	175.8p
Underlying basic earnings per share	**36.2p**	107.5p	247.3p
Diluted earnings per share	**34.1p**	105.9p	174.3p
Underlying diluted earnings per share	**35.9p**	106.9p	245.3p

The calculation of the basic and diluted earnings per share is based upon the following data:

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Underlying earnings attributable to shareholders	**115.5**	343.0	789.5
Legacy buildings provision (net of tax)	**-**	-	(221.9)
Goodwill impairment	**(5.8)**	(3.2)	(6.6)
Earnings attributable to shareholders	**109.7**	339.8	561.0

At 30 June 2023 the issued share capital of the Company was 319,419,494 ordinary shares (30 June 2022: 319,317,641; 31 December 2022: 319,323,432 ordinary shares).

7. Dividends

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Amounts recognised as distributions to capital holders in the period:			
2021 dividend to all shareholders of 125p per share paid 2022	**-**	399.0	399.0
2021 dividend to all shareholders of 110p per share paid 2022	**-**	-	351.1
2022 dividend to all shareholders of 60p per share paid 2023	**191.5**	-	-
Total capital return to shareholders	**191.5**	399.0	750.1

On 5 May 2023 60p per share (or £191.5m) of surplus capital was returned to shareholders as a final cash dividend in respect of the financial year 31 December 2022.

On 10 August 2023, the Board announced their intention to pay 20p per share (or £63.9m) of surplus capital to shareholders as an interim cash dividend in respect of the financial year 31 December 2023.

8. Inventories

	30 June 2023	30 June 2022	31 December 2022
	£m	£m	£m
Land	**2,090.5**	2,102.8	2,091.7
Work in progress	**1,476.9**	1,226.1	1,263.9
Part exchange properties	**85.8**	27.2	61.0
Showhouses	**51.9**	46.6	46.3
	3,705.1	3,402.7	3,462.9

The Group has conducted a further review of the net realisable value of its land and work in progress portfolio at 30 June 2023. Our approach to this review has been consistent with that conducted at 31 December 2022 and was fully disclosed in the financial statements for the year ended on that date. The key judgements and estimates in determining the future net realisable value of the Group's land and work in progress portfolio are future sales prices, house types and costs to complete the developments. Sales prices and costs to complete were estimated on a site by site basis. There is currently no evidence or experience in the market to inform management that expected selling prices used in the valuations are materially incorrect.

Net realisable value provisions held against inventories at 30 June 2023 were £5.3m (30 June 2022: £15.0m; 31 December 2022: £5.5m). Following the review, £2.4m of inventories are valued at fair value less costs to sell rather than historical cost (30 June 2022: £3.8m; 31 December 2022: £2.9m).

9. Shared equity loan receivables

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Shared equity loan receivable at start of period	**36.0**	45.6	45.6
Settlements	**(2.7)**	(7.4)	(13.3)
Gains	**0.8**	2.1	3.7
Shared equity loan receivable at end of period	**34.1**	40.3	36.0

All gains/losses have been recognised through finance income in profit and loss for the period of which £0.2m was unrealised (June 2022: £0.2m; December 2022: £0.3m).

10. Legacy buildings provision

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Legacy buildings provision at start of period	**333.3**	72.7	72.7
Additions to provision in the period	**-**	-	275.0
Imputed interest on provision in the period	**2.2**	-	-
Provision released in the period	**(6.6)**	-	-
Provision utilised in the period	**(16.5)**	(3.4)	(14.4)
Legacy buildings provision at end of period	**312.4**	69.3	333.3

During 2022 we signed the Building Safety Pledge (England) and worked constructively with the government to agree the 'Long Form Contract' that turns the pledge into a legal agreement. The Self Remediation Contract was signed on 13 March 2023.

In the period we have been informed by a number of management companies of potential liability for fire remediation costs, and we have added 7 developments to the total number of developments. The number of developments we are now responsible for stands at 80, of which 36 have now either secured EWS1 certificates or concluded any necessary works. Furthermore, there are a small number of developments that are under investigation, where we have yet to determine if we have any liability to remediate, and if so the cost of that remediation.

During the period £16.5m of the provision has been utilised for works undertaken whilst £2.2m of imputed interest has been charged to the Income Statement through Finance Costs. Due to the increase in gilt and interest rates during the first half of the year, the discount rate used to estimate the future value of the provision at the period end date has been increased. The change in discount rate has resulted in a reduction in the fair value of the provision. This has resulted in a £6.6m release to the Income Statement through Cost of Sales.

The assessment of the provision remains a highly complex area with judgments and estimates in respect of the cost of the remedial works, with investigative surveys ongoing to determine the full extent of those required works. Where remediation works have not yet been fully tendered we have estimated the likely scope and costs of such works based on experience of other similar sites. Whilst we have exercised our best judgement of these matters, there remains the potential for variations to this estimate from multiple factors such as material, energy and labour cost inflation, limited qualified contractor availability and abnormal works identified on intrusive surveys. Should a 10% variation in the costs of untendered projects occur then the overall provision would vary by +/- £7.4m.

11. Financial instruments

In aggregate, the fair value of financial assets and liabilities are not materially different from their carrying value. Financial assets and liabilities carried at fair value are categorised within the hierarchical classification of IFRS 7 Revised (as defined within the standard) as follows:

	30 June 2023 Level 3	30 June 2022 Level 3	31 December 2022 Level 3
	£m	£m	£m
Shared equity loan receivables	**34.1**	40.3	36.0

Shared equity loan receivables

Shared equity loan receivables represent loans advanced to customers secured by way of a second charge on their new home. They are carried at fair value. The fair value is determined by reference to the rates at which they could be exchanged by knowledgeable and willing parties. Fair value is determined by discounting forecast cash flows for the residual period of the contract by a risk adjusted rate.

There exists an element of uncertainty over the precise final valuation and timing of cash flows arising from these assets. As a result, the Group has applied inputs based on current market conditions and the Group's historic experience of actual cash flows resulting from such arrangements. These inputs are by nature estimates and as such, the fair value has been classified as level 3 under the fair value hierarchy laid out in IFRS 13 Fair Value Measurement.

Significant unobservable inputs into the fair value measurement calculation include regional house price movements based on the Group's actual experience of regional house pricing and management forecasts of future movements, weighted average duration of the loans from inception to settlement of ten years (2022: ten years) and a discount rate of 7% (June 2022: 5%; December 2022: 7%) based on current observed market interest rates offered to private individuals on secured second loans.

The discounted forecast cash flow calculation is dependent upon the estimated future value of the properties on which the shared equity loans are secured. Adjustments to this input, which might result from a change in the wider property market, would have a proportional impact upon the fair value of the asset. Furthermore, whilst not easily accessible in advance, the resulting change in security value may affect the credit risk associated with the counterparty, influencing fair value further.

12. Reconciliation of net cash flow to net cash and analysis of net cash

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Cash and cash equivalents at start of period	**861.6**	1,246.6	1,246.6
Decrease in net cash equivalents in cash flow	**(504.6)**	(464.6)	(385.0)
Cash and cash equivalents at end of period	**357.0**	782.0	861.6
IFRS 16 lease liability	**(12.0)**	(9.8)	(10.9)
Net cash at end of period	**345.0**	772.2	850.7

Net cash is defined as cash and cash equivalents, bank overdrafts, lease obligations and interest bearing borrowings. At 30 June 2023, £9.8m (2022: £16.2m) of cash recognised was held at third party solicitors with an undertaking.

On 5 July 2023 the Group renewed its Revolving Credit Facility increasing it from £300m to £700m, with a five year term out to 5 July 2028. The facility remains undrawn at this time.

13. Retirement benefit assets

As at 30 June 2023 the Group operated four employee pension schemes, being two Group personal pension schemes and two defined benefit pension schemes. Re-measurement gains and losses in the defined benefit schemes are recognised in full as other comprehensive income within the consolidated statement of comprehensive income. All other pension scheme costs are reported in profit or loss.

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	Six months to 30 June 2023	Six months to 30 June 2022	Year to 31 December 2022
	£m	£m	£m
Current service cost	**0.5**	0.9	1.9
Administrative expense	**0.1**	0.2	0.6
Pension cost recognised as operating expense	**0.6**	1.1	2.5
Interest income on net defined benefit asset	**(3.6)**	(1.4)	(2.8)
Pension cost recognised as a net finance credit	**(3.6)**	(1.4)	(2.8)
Total defined benefit pension income recognised in profit or loss	**(3.0)**	(0.3)	(0.3)
Re-measurement loss/(gain) recognised in other comprehensive expense	**9.7**	(59.4)	(5.2)
Total defined benefit scheme loss/(gain) recognised	**6.7**	(59.7)	(5.5)

The amounts included in the balance sheet arising from the Group's obligations in respect of the Pension Scheme are as follows:

	30 June 2023	30 June 2022	31 December 2022
	£m	£m	£m
Fair value of pension scheme assets	**535.1**	658.4	555.6
Present value of funded obligations	**(385.7)**	(449.0)	(399.7)
Net pension asset	**149.4**	209.4	155.9

The decrease in the net pension asset to £149.4m (June 2022: £209.4m; December 2022: £155.9m) is largely due to the underperformance of asset returns when compared to the standard expected returns at the start of the year and an increase in inflation assumptions offset in part by an increase in the discount rate assumption applied to scheme obligations to 5.2% (December 2022: 4.8%).

14. Principal risks

1. UK economic conditions		Residual risk rating Very high
Risk description	Approach to risk mitigation	How we monitor the risk
The housebuilding industry is sensitive to changes in the economic environment, including unemployment levels, interest rates and consumer confidence. A deterioration in economic conditions could adversely affect demand and pricing for new homes, which could in turn impact upon our revenues, margins, profits	In order to minimise risk and maintain financial flexibility, the Group pursues a highly disciplined approach to investments in land and work in progress, ensuring these are appropriate and reflective of current and anticipated levels of demand.	- The Board closely monitors sales activity and UK economic trends closely. - The Principal Risk Lead Indicator reports issued to each meeting of the Board includes analysis of economic indicators, using both internal and external sources.

and cash flows and potential impairment of asset values. Economic conditions in the land market may adversely affect the availability of a sustainable supply of land at appropriate levels of return.	As a result the Group renewed its Revolving Credit Facility in July 2023, increasing it to £700m with a five year term out to July 2028. Pricing structures are regularly reviewed to reflect local market conditions. The Group benefits from a UK-wide network (with no significant presence in London), mitigating the effects of regional economic fluctuations.	
2. Government policy and political risk		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
Changes to government policy have the potential to impact on several aspects of our strategy and operational performance. Recent examples include the impacts of the withdrawal of the Help to Buy scheme, the introduction of the Residential Property Developer Tax, and proposed changes in planning regulations. Further policy changes may arise in response to the ongoing CMA market study into the housebuilding sector. Such changes have the potential to adversely affect revenues, margins, tax charges and asset values, and potentially impact on the viability of land investments.	Our mission and our five key priorities are aligned with the government's stated ambition to increase housing stock. Investment decisions in land and work in progress are tightly controlled in order to mitigate exposure to external influences, including potential changes in Government policy. The Group has experienced teams with expertise in managing and responding to relevant areas subject to Government involvement, including our Group Planning, Technical and External Affairs departments.	- Likely evolutions in government policy in relation to the housing market are monitored closely by our External Affairs, Technical and Land and Planning departments, with regular feedback to the Executive Committee and Board. - We routinely engage with industry bodies to review the impact of any anticipated legislative or regulatory changes.
3. Health, safety and environment		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
In addition to the human impacts of any health, safety or environmental breach or incident, there is the potential for reputational damage, construction delays and financial penalties.	The Board retains a very strong commitment to health and safety and managing the risks in this area effectively. Operationally, this commitment is implemented by a range of measures, including: - Comprehensive policies and procedures to manage construction activities safely. - Training programmes to embed the Group's policies effectively. - Inspection regime led by our Group Health, Safety and Environment department, with additional specialist assurance provided by the Group Internal Audit department.	- Data from inspections by the Group Health, Safety and Environment department feed into management reports at all levels of the Group. - The Principal Risk Lead Indicator reports issued to each meeting of the Board includes analysis of inspection metrics provided by the Group Health, Safety and Environment department. - The Group Health, Safety and Environment Director is a member of the Group Executive Committee, and provides additional periodic reports and updates to both the Board and the Audit & Risk Committee.

	- Engagement with industry forums and best practice groups.	
4. Skilled workforce, retention and succession		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
Recruiting and retaining a highly skilled workforce and supporting management teams is essential to the delivery of the Group's strategy. Heightened competition for skilled labour creates risks of increased costs, operational disruption and potential delays to build programmes.	The Group has deployed a range of measures to maintain an appropriately skilled workforce, including: - Comprehensive range of training programmes managed by the Group Training department, including apprenticeships, graduate scheme and the Persimmon Pathways in core disciplines. - Talent management and succession planning programmes. - Remuneration benchmarking to ensure reward is appropriate to attract and retain talent at all levels. - Utilisation of our Space4 products, which improve build efficiency and require less on-site labour than traditional construction. - Increased focus on employee engagement measures. - Deployment of hybrid working practices, where appropriate.	- The Group HR department provides reporting, including metrics such as training hours, to management at all levels of the Group. - The Group HR Director is a member of the Group Executive Committee, and provides additional periodic reports and updates to both the Board on employment trends. - Feedback from the employee engagement panel is reviewed by the Board. - The Principal Risk Lead Indicator reports issued to each meeting of the Board includes staff turnover data and commentary from the Group HR department.
5. Materials and land purchasing		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
<u>Availability of materials</u> Ensuring access to materials of the requisite quantity and specifications is critical in delivering high quality homes. Heightened levels of demand for materials may cause availability constraints and increase cost pressures. Build quality may be compromised if unsuitable materials are procured leading to damage to the Group's reputation and overall customer experience.	<u>Availability of materials</u> Various mitigations are in place to ensure consistent sourcing of materials and cost efficiency: - Vertical integration through the Brickworks, Tileworks and Space4. - Strategic approach to procurement, led by our Group Procurement team. - Supply chain engagement, including robust processes for appointing suppliers and reviewing their performance thereafter. - Detailed forecasting and planning of material requirements to inform supplier negotiations.	<u>Availability of materials</u> - The Group Procurement department provides routine monitoring of trends and supplier performance. - Site budgets and performance, including availability and pricing of materials, are assessed through the bi-monthly valuation process. - The Principal Risk Lead Indicator reports issued to each meeting of the Board include commentary from the Group Commercial Director on materials purchasing trends and issues.

	- Support for our supply chain through adherence to the Prompt Payment Code.	
Land purchasing Maintaining an appropriate supply of suitable land is crucial to the Group's strategy. Failure to maintain a sufficient supply of land at the appropriate levels of return could adversely affect sales, margins and return on capital employed.	Land purchasing The Group maintains strong land holdings. All land purchases undergo comprehensive viability assessments and must meet specific levels of projected returns, taking into account anticipated market conditions and sales rates.	Land purchasing The Group's Land Committee meets regularly to review the Group's current land holdings and future needs, and to assess potential land transactions.
6. Climate change		Residual risk rating Medium
Risk description	Approach to risk mitigation	How we monitor the risk
The effects of climate change and the UK's transition to a lower carbon economy could lead to increasing levels of regulation and legislation, as seen with the Future Homes Standard. These may in turn result in planning delays, increased costs and competition for some materials. Changes in weather patterns and the frequency of extreme weather events, particularly storms and flooding, may increase the likelihood of disruption to the construction process. The availability of mortgages and property insurance may reduce in response to financial institutions considering the possible impacts relating to climate change.	The potential impacts of climate change are considered systematically in key business decisions, from land acquisition through to planning and build processes. In response, the Group has established a range of measures to improve its operational efficiency and direct environmental impact, including: - Maintaining a detailed climate change risk register. - Setting science based carbon reduction targets, accredited by the Science Based Targets Initiative. - Targets to deliver 'net zero' homes in use to our customers by 2030 and become 'net zero' in our operations by 2040. - Regular meetings of the low carbon homes working group, comprising senior employees from various disciplines, including preparation for the implementation of the Future Homes Standard. - Introduction of electric vehicle options into the Group's fleet. - Procurement of 100% renewable energy for our offices and manufacturing facilities.	- The Sustainability Committee meets regularly to review progress on the Group's climate related initiatives. - Key indicators including CO_2 emissions and waste generation are monitored and reported on. - External review of our Scope 1, Scope 2, Scope 3 Category 1 (Purchased goods and services) and Scope 3 Category 11 (Use of sold products) emissions.

7. Reputation		Residual risk rating: Medium
Risk description	Approach to risk mitigation	How we monitor the risk
Failure to live up to our expected high standards in governance, build quality (including remediation of legacy issues), customer experiences, operational performance, management of health and safety or local planning concerns could damage stakeholder relationships and have a detrimental impact on financial performance.	The Group is committed to ensuring an appropriate culture and maintaining high quality in all aspects of its operations. This is subject to oversight from the Board. We have made significant investments in build quality, through The Persimmon Way and the supporting IQC regime, and in addressing legacy issues. We formally commenced the registration process for the New Homes Quality Code (NHQC) within 2022. The Group supports the NHQC's focus on driving quality and customer service improvement across the industry. The Group also proactively works to build positive relationships with all of our stakeholders. This includes supporting communities in addressing housing needs, creating attractive neighbourhoods and employing local people, both on our sites and in the supply chain. We make significant contributions to local infrastructure and good causes within the communities in which the Group operates.	- Operational performance, including build quality and customer experience, are subject to routine management oversight, with reporting to the Executive Committee and Board. - The Board also oversees stakeholder engagement, including monitoring feedback from shareholders, and the results of our employee engagement surveys and the Employee Engagement Panel. - The Principal Risk Lead Indicator reports issued to each meeting of the Board includes analysis of media coverage and trends that could be indicative of the Group's overall reputation.

8. Regulatory compliance		Residual risk rating: Medium
Risk description	Approach to risk mitigation	How we monitor the risk
The housebuilding industry is subject to increasingly complex regulations, particularly in areas such as land acquisition, planning, building regulations and the environment. Further regulatory evolutions are expected in the short-term, such as the activation of the NHQC and measures on audit and corporate governance reform, which will affect aspects of our operations. There may also be potential for regulatory changes arising from the ongoing CMA market study. Failure to comply with regulations could result in imposition of financial penalties and potential damage to the Group's reputation.	The Group maintains comprehensive management systems to ensure regulatory and legal compliance, including policies and procedures for key areas of regulation. Additional oversight is in place through the Group-level functions and cross-functional steering groups for key areas, such as GDPR compliance. In respect of land and planning, experienced management teams are in place at Group and local level. These enable effective engagement with planning authorities and other stakeholders to reduce the likelihood and impact of any delays or disruption.	- The Board and Audit & Risk Committee are provided with regular updates on core areas of regulatory compliance and preparation for upcoming regulatory change.

9. Cyber and data risk		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
In common with most modern businesses, the Group is reliant on the consistent availability and security of its IT systems. Failure or significant disruption to the Group's core IT systems, particularly those in relation to customer information and customer service could result in significant financial costs, reputational damage and business disruption. As the Group's use of technology to support operational processes continues to develop, cyber and data risks have become an area of increased focus for the Group. This is reflected in the elevation of this risk from 'medium' to 'high'.	The Group has dedicated cyber security resource, led by the Chief Information Security Officer, in order to manage and oversee security controls. This includes use of third party expertise to ensure implementation of good-practice controls. Cyber and IT security enhancements form part of an ongoing strategy of improvement to the Group's IT provision. External partners are used to support the Group, both through cyber security assessments and periodic penetration testing. In the event of an incident, the Group has a defined Cyber Incident Response Plan. Training and regular communications are delivered to all users to increase awareness of cyber risks, with particular focus on risks associated with remote and hybrid working.	- In recognition of the serious nature of cyber risk to modern businesses, the Board receives reports from the Group's Chief Information Officer (CIO) at each of its meetings. The CIO also serves as a member of the Group Executive Committee, ensuring IT and cyber risks are a consideration in all key business decision making. - Routine reporting on cyber security and IT developments is presented to the Audit & Risk Committee. - The Principal Risk Lead Indicator reports issued to each meeting of the Board include a section on IT developments. - The Group has an internal GDPR Steering Group to monitor all processes, risks and controls associated with personal data.
10. Mortgage availability		Residual risk rating Very high
Risk description	Approach to risk mitigation	How we monitor the risk
Sustained periods of higher interest rates or tightening of bank lending criteria could reduce both the affordability and availability of mortgages for our customers. This could reduce demand for new homes and affect sales prices, revenues, profits, cash flows, and asset values.	The Group closely monitors the economic outlook for the UK, including indicators on mortgage availability and affordability. Investments in land and work in progress are moderated to align with our level of sales and expectations of the current market conditions. Incentive schemes to support sales are kept under review by management, and can be flexed according to underlying market conditions.	- The Board closely monitors sales activity and UK economic trends, including Bank of England commentary on credit conditions, lenders' announcements and reports from UK Finance commentators. - The Principal Risk Lead Indicator reports issued to each meeting of the Board includes analysis of lending trends and mortgage approval rates.
11. Legacy buildings		Residual risk rating High
Risk description	Approach to risk mitigation	How we monitor the risk
In line with our commitments under the Developer Pledge, the Group remains committed to undertaking any cladding or life-critical fire safety remediation works for buildings it has constructed, and to protecting leaseholders. Provisions have been made to cover the anticipated costs of these works; however, the works are complex and could be protracted in nature.	The Group has a dedicated Special Projects team, responsible for the identification of affected buildings, assessment of any remediation required, and ensuring that the work is completed as quickly as practicable. Detailed investigations are undertaken on all identified	- A report on the progress of the works is provided to every Board meeting. - All identified buildings are assessed and, where necessary, interim measures carried out to ensure the residents safety until remedial works are carried out. - The Finance team monitors costs incurred and provides assurance on the utilisation and

As such, the value may be subject to revision if legislation or regulation evolve, further properties are identified, or costs prove to be greater than anticipated.	buildings and independent fire risk assessments completed. The Group's assumptions on the estimated financial costs associated with the remediation works have been subject to comprehensive challenge.	appropriateness of the Group's provision.

Statement of Directors' responsibilities in respect of the Half Year Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with UK adopted International Accounting Standard ("IAS") 34 Interim Financial Reporting
- the Half Year Report includes a fair review of the information required by:
    - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
    - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Persimmon Plc and their function are listed below:

Roger Devlin	Chairman
Dean Finch	Group Chief Executive
Jason Windsor	Chief Financial Officer
Nigel Mills	Senior Independent Director
Annemarie Durbin	Non-Executive Director
Andrew Wyllie	Non-Executive Director
Shirine Khoury-Haq	Non-Executive Director
Alexandra Depledge	Non-Executive Director
Colette O'Shea	Non-Executive Director

By order of the Board

Dean Finch	**Jason Windsor**
Group Chief Executive	Chief Financial Officer

9 August 2023

The Group's annual financial reports, half year reports and trading updates are available from the Group's website at www.persimmonhomes.com/corporate

INDEPENDENT REVIEW REPORT TO PERSIMMON PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Cash Flow Statement and the related notes 1 to 14. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Victoria Venning
Ernst & Young LLP
Leeds

9 August 2023

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018

Crest Nicholson Holdings plc

(the "Group" or "Crest Nicholson")

TRADING UPDATE

FY23 ADJUSTED PROFIT BEFORE TAX NOW EXPECTED TO BE AROUND £50.0m

Trading Environment

Against a backdrop of persistently high inflation and rising interest rates, trading conditions for the housing market have worsened during the summer of this year. While pricing has remained resilient in a market with limited supply and few distressed sellers, the economic uncertainty is deterring prospective home movers. Additional mortgage borrowing for those looking to upgrade or for those with low levels of equity, notably first-time buyers, has become significantly more expensive with no Government support (following the end of Help to Buy) now in place to cushion this impact.

Transaction levels across the industry have therefore weakened further, particularly in recent weeks. Although overall inflation is encouragingly starting to fall, core inflation and wage inflation both remain high with further interest rate rises forecast over the coming months. The Group does not therefore expect to see a material improvement in trading conditions before its year end at 31 October 2023.

At the interim results in June 2023 the Group outlined that it was forecasting a SPOW rate of 0.50 for the second half and for the 7 weeks to 18 August 2023 this has been 0.25, representing a progressively deteriorating trend.

Given this market backdrop the Group is also currently negotiating several bulk deals on appropriate commercial terms with partners where it has developed strong relationships over recent years. These transactions will provide support to volume delivery in future years.

Legacy Schemes

In addition to a poorer trading environment, the Group has also recorded a further £4.0m cost movement in the second half at Brightwells Yard, Farnham. This site is a highly complex urban regeneration and mixed-use development scheme with a build programme expected to conclude by the end of the calendar year.

Management Actions

Management are responding proactively to these conditions. The Group was able to add several high-quality sites to the land portfolio in the first half and, as has been previously communicated, expects future land activity to reduce significantly.

Management will also be reducing the Group's overhead position in the next financial year and will be incorporating the newly created East Anglia division into its existing Eastern division with revised boundaries. Yorkshire will remain unaffected given it is now a fully operational division, but the pace of growth and onboarding of further resources expected in this region will be revised to reflect the market conditions. Further detail on these initiatives will be shared in the Group's November trading update.

Dividend

The Board remains committed to the FY23 dividend pence per share in line with prior year at 17.0 pence per share as announced in June 2023.

Outlook

The Board remains positive and confident about the outlook for Crest Nicholson. While the current trading conditions are challenging, over the medium term it expects inflation to abate and mortgage rates start to reduce. In addition, the Group has a strong financial position and an experienced leadership team who are used to trading through downturns in the cycle. The long-term structural shortfall of housing supply versus demand continues to increase and the Group has developed an attractive land portfolio.

Reflecting the factors outlined above, the Group now expects FY23 Adjusted Profit Before Tax to be around £50.0m.

Analyst and investor conference call

There will be a brief conference call for analysts at 9.00 am today hosted by Peter Truscott, Chief Executive and Duncan Cooper, Group Finance Director.

Dial in details:
UK: 0207 660 8380
Toll-free: 0800 029 3426
Phone Conference ID: 924 858 743#

For further information, please contact:

Crest Nicholson

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The person responsible for arranging the release of this announcement on behalf of the Company is Harriet Huband, Interim Company Secretary.

21 August 2023

FOR IMMEDIATE RELEASE

Redrow plc

11 November 2022

ANNUAL GENERAL MEETING TRADING UPDATE

Redrow plc is holding its Annual General Meeting (AGM) at 10am today at the Village Hotel Chester St David's, St David's Park, Ewloe, Flintshire CH5 3YB and providing a trading update for the period ending 6 November 2022.

At today's AGM, Richard Akers, Chairman, will say:

"We entered the new financial year in a strong position with a record order book of £1.44bn. The housing market had returned to normal following the elevated sales rate in the previous two years. However, recent instability in financial markets has had a negative impact on the housing market and the business has had to adapt to the changing economic outlook.

Trading

The value of net private reservations in the first 18 weeks of the financial year was 19% below the prior year at £515m (2022: £639m). The private revenue per outlet per week was £238k compared to £310k last year. Private reservations per outlet per week for the period were 0.49 compared 0.68 last year.

Our Heritage range of high quality well designed homes, combined with geographical and product mix and general house price inflation, has resulted in the average selling price of our private reservations for the first 18 weeks of the financial year being up 6.9% on the equivalent period last year at £483,000 (2022: £452,000).

The Group has operated from an average of 120 outlets in the year to date (2022: 115). We expect the average outlets for the full financial year will be 120, in line with the guidance we gave in September.

We continue to estimate that overall build cost inflation will be c7% for the current financial year.

Homes turnover for the first 18 weeks of the financial year was 1.7% above last year at £650m (2022: £639m). The total forward order book at 6 November is £1.36bn of which 74% is exchanged, compared to £1.49bn at the same time last year with 73% exchanged.

Land

During the period, we have added 724 plots to our current land holdings (2022: 1,495 plots). Due to the current economic uncertainty, we are being selective and limiting our land buying for the time being.

Outlook

Given the strength of our order book and the increase in private average selling price, despite the recent reduction in sales rate, we expect our revenue for 2023 to be c£2.1bn (2022: £2.1bn) and our operating margin to be c18% (2022: 19.3%).

Our balance sheet remains strong and on 4 November 2022, we had net cash of £182m (5 November 2021: £297m). We continue to expect to have net cash of over £150m at the end of June 2023.

Board

Nick Hewson will step down from the Board today after nine years' service. On behalf of the Board, I would like to thank Nick for his valuable contribution throughout his tenure and, in particular, his stewardship of the Audit Committee, which he chaired. On Nick's retirement, Nicky Dulieu will take over the role of Senior Independent Director."

Enquiries:

Redrow plc	
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Barbara Richmond, Group Finance Director	01244 527411
Instinctif Partners	0207 457 2020
Tim McCall, Head of Capital Markets	07753 561862
Bryn Woodward, Associate Partner	0207 457 2045

The next scheduled trading update will be the interim results for the 26 weeks ending 1 January 2023, which are due to be announced on Thursday 9 February 2023.

Bellway p.l.c.

Trading Update

Wednesday 9 August 2023

Bellway p.l.c. ('Bellway' or the 'Group') is today issuing a Trading Update for the year ended 31 July 2023 ahead of its Preliminary Results announcement on Tuesday 17 October 2023.

Highlights

- Housing revenue of around £3.4 billion (2022 – £3,520.6 million), in line with previous guidance.
- Total housing completions of 10,945 homes (2022 – 11,198), at an average selling price of £310,000 (2022 – £314,399).
- The underlying operating margin is expected to be around 16%[3] (2022 – 18.5%), with the reduction reflecting the effect of build cost and overhead inflation, extended site durations and the increased use of targeted sales incentives.
- The Group's programme of accelerating the construction of social homes partially offset weaker private demand, which was impacted by higher mortgage rates and the end of Help-to-Buy.
- The overall reservation rate reduced by 28.4% to 156 per week (2022 – 218) and the private reservation rate decreased by 35.9% to 109 per week (2022 – 170).
- Robust balance sheet provides continued resilience and strategic flexibility, with year-end net cash of £232 million[4] (2022 – £245.3 million) and low adjusted gearing, inclusive of land creditors, of only 3%[5] (2022 – 4.4%).
- The £100 million share buyback launched on 28 March 2023 is progressing well, with 2.9 million shares purchased at a cost of around £66 million.
- The combination of strong volume output and the decrease in reservation rates resulted in a lower, yet still sizeable year-end order book, with a value of £1,193.5 million[6] (2022 – £2,114.3 million), which comprises 4,411 homes (2022 – 7,223 homes).
- Strong recognition from our customers and employees, having retained our status as a five-star[7] homebuilder for the seventh consecutive year and 89% of our colleagues recommending Bellway as 'a great place to work'.

Jason Honeyman, Group Chief Executive, commented:

"Bellway has delivered a resilient performance, with volume output and housing revenue in line with expectations and supported by the strength of our order book at the start of the 2023 financial year. In a challenging operating environment, the result has also been achieved through the dedication of our colleagues, subcontractors, advisors, and supply chain partners.

The backdrop of macroeconomic uncertainty and cost of living pressures affected consumer demand during the year and, given affordability remains constrained by higher mortgage interest rates, underlying trading conditions are likely to remain challenging in the near term. To help mitigate this, and notwithstanding ongoing delays in the planning system, the depth of our land bank provides scope to deliver outlet growth in the current financial year and beyond.

Bellway's operational strength and experienced teams will enable the Group to successfully navigate changing market conditions and, supported by a strong balance sheet, it is well-placed to continue to deliver high quality homes to our customers and returns for shareholders."

Market and current trading

Notwithstanding low levels of unemployment and ongoing wage rises, customer demand during the year was affected by the volatility in mortgage interest rates. As reported in the Group's Interim Results, a promising start to the financial year was followed by a period of very challenging trading in the fourth quarter of calendar year 2022, when sales rates were impacted by sharp increases in borrowing costs. In early 2023, mortgage rates began to moderate, and we were encouraged by the levels of demand during the spring selling season. More recently, however, reservations in June and July 2023 were impacted by borrowing costs which rose to levels similar to those last autumn. To date, overall headline pricing has remained robust across our regions, though we continue to use targeted incentives to secure reservations.

The overall reservation rate was 28.4% lower than the prior year at an average of 156 per week (2022 – 218), and the Group has continued with its programme of accelerating the construction of social homes to help mitigate weaker private demand. The average private weekly reservation rate reduced by 35.9% to 109 (2022 – 170) and was achieved from an average of 238 outlets (2022 – 242). The overall cancellation rate for the full year has trended upwards and averaged 18% (2022 – 13%), with the increase largely driven by softer private customer demand.

In general, there remains good availability of mortgage products, although lenders' re-pricing activity in response to changes in interest rates has, at certain points during the year, affected the shorter-term availability of mortgage finance. The impact of rising interest rates has been particularly acute for customers requiring a higher loan-to-value mortgage, and exacerbated by the expiry of Help-to-Buy in England in March 2023.

The combination of strong volume output and lower reservation rates has led to a reduction in the value of the forward order book, yet it remains sizeable, with a value of £1,193.5 million[6] (2022 – £2,114.3 million) and comprises 4,411 homes (2022 – 7,223 homes).

Results

The Group has delivered housing revenue of around £3.4 billion (2022 – £3,520.6 million), a 3% reduction on the prior year and in line with previous guidance. Volume output was supported by the strong order book at the start of the financial year, and notwithstanding the reduction in underlying demand, completions reduced by only 2.3% to 10,945 (2022 – 11,198).

The overall average selling price decreased by over 1% to £310,000 (2022 – £314,399), primarily driven by a lower proportion of private completions, which reduced to 75% of the total (2022 – 82%). In the year ending 31 July 2024, the proportion of social completions will remain elevated and together with the ongoing disciplined use of incentives, we expect a further moderation in the average selling price.

The underlying operating margin for the 2023 financial year is expected to be around 16%[3] (2022 – 18.5%), and the reduction reflects the effect of build cost and overhead inflation, together with extended site durations and the increased use of sales incentives during a more challenging trading period.

Production and cost control

During the year, build cost inflation across the industry was driven by both labour and materials. The upward pressure on subcontract labour costs reflected underlying wage inflation and the elevated levels of construction activity required to deliver a robust volume output. While there has been an easing of energy costs in recent months, energy prices have remained the primary driver of overall building materials inflation. We have maintained tight control over production expenditure, and some of the cost pressures have been offset by the Group's strong commercial disciplines, and renegotiation of terms with our supply chain partners.

Since early 2023, build cost inflation has softened slightly from the high single digits reported in the first half of the financial year. Reducing demand for construction materials has also supported an improvement in product availability across the Group, and we continue to expect overall cost pressures to moderate in the months ahead. Notwithstanding this anticipated reduction, while inflation persists, it will place further downward pressure on profit margins in the current financial year.

Given the weaker trading backdrop and uncertain economic outlook, we continue to focus on maintaining Bellway's balance sheet resilience and we will maintain a highly disciplined approach to production expenditure in the year ahead. Following a review of overheads, we are also taking steps to reduce headcount across the Group. Importantly, to protect the long-term health of the business, these changes will not compromise the Group's ability to return to growth when trading conditions improve.

Land investment

The depth of Bellway's land bank, following our front-footed approach to investment in recent years, has enabled our land teams to remain highly selective in the land market in the current economic environment, without hindering the Group's long-term growth ambitions. Our cautious and targeted approach to investment and rigorous approval process continue to focus on securing land interests which offer compelling and enhanced financial returns and, where possible, have significant flexibility in the contract terms.

During the year, the Group has contracted to purchase 4,715 plots[8] (2022 – 19,089 plots) across 35 sites[8] (2022 – 107 sites) with a total contract value of £378.2 million[8] (2022 – £1,300.3 million). We have also continued to review previously contracted land and decided not to proceed with the purchase of 886 plots across 4 previously approved sites.

The disciplined growth of our land bank in recent years has provided vital strategic flexibility and, notwithstanding the ongoing delays in the planning system, the Group has a strong platform to deliver growth in outlet numbers in the current financial year and beyond. This is also supported by the significant expansion of our strategic land bank, which further underpins the Group's longer-term prospects, with a relatively low initial capital outlay.

Financial position and capital returns

Bellway has maintained a strong balance sheet with net cash of £232 million[4] at 31 July 2023 (2022 – £245.3 million). Average net cash was £192.0 million[9] during the year (2022 – £223.9 million), demonstrating the resilience of the Group's financial position throughout the period. Committed land obligations are lower than the prior year and remain modest, at around £335 million (2022 – £393.4 million) with low adjusted gearing, inclusive of land creditors, of only 3%[5] (2022 – 4.4%).

The Board continues to expect to maintain the total dividend for financial year 2023, in line with the prior year payment of 140.0p per share. The £100 million share buyback programme is progressing well, and 2.9 million shares have been purchased in the period at a cost of around £66 million.

In the year ahead, we will preserve balance sheet resilience through our ongoing disciplined approach to land and production expenditure, and the Board will continue to review the Group's capital requirements, with deployment targeted where it can best generate long-term value for shareholders.

'Better with Bellway'

We continue to make good progress, through a range of initiatives, to embed the 'Better with Bellway' sustainability strategy across the Group's operations. The strategy includes ambitious targets in respect of our three flagship areas of Carbon Reduction, Customers and Communities, and becoming an Employer of Choice.

Supported by several research projects underway across the business, strong headway has been made as we work towards a significant reduction in the Group's carbon emissions by 2030. We are also proud to have retained our position as a five-star[7] homebuilder for the seventh consecutive year, and there has been an excellent response to our most recent employee engagement survey in which 89% of colleagues said they would recommend Bellway as 'a great place to work'.

With regards to building safety and further to the Group signing the Self-Remediation Terms with the Department of Levelling Up, Housing and Communities ('DLUHC') on 13 March 2023, Bellway has recently been confirmed as a member of the Responsible Actors Scheme ('RAS') by DLUHC. The RAS was established under the Building Safety (Responsible Actors Scheme and Prohibitions) Regulations 2023 which came into force on 4 July 2023, and our membership reinforces Bellway's approach to acting responsibly on matters relating to building safety in legacy apartment schemes.

All our targets and KPIs in relation to 'Better with Bellway', together with further background information, are published on our website at www.bellwayplc.co.uk/sustainability.

Outlook

Bellway has delivered a robust performance in financial year 2023, however, the recent increase in mortgage rates through June and July 2023 has resulted in a weaker trading environment. In the current financial year, given the level of the order book and prevailing low reservation rates, legal completions are expected to decrease materially. We will provide an assessment of the potential volume outturn for financial year 2024 and a further update on the market outlook with the Preliminary Results on 17 October 2023.

In light of the current uncertain backdrop, we remain focused on maintaining the Group's strong cost control disciplines and balance sheet resilience. This will enable Bellway to respond to ongoing changes in the housing market, meet our commitments in relation to legacy building safety and deliver against the priorities in the 'Better with Bellway' sustainability strategy.

Looking beyond the near term, the Board is confident that Bellway's operational strengths and land bank depth leave the Group well-placed to capitalise on future growth opportunities when they arise.

Notes:

1 All figures relating to completions, order book, reservations, cancellations, and average selling price exclude the Group's share of its joint ventures.
2 Comparatives are for the year ended 31 July 2022 or as at 31 July 2022 ('2022') unless otherwise stated.
3 The underlying operating margin is the operating profit (before net legacy building safety expense and exceptional items) divided by total revenue.
4 Net cash is cash plus cash equivalents, less debt financing.
5 Adjusted gearing is the total of net cash and land creditors divided by total equity.
6 Order book is the total expected sales value of reservations that have not legally completed.
7 As measured by the Home Builders' Federation using the eight week NHBC Customer Satisfaction survey.
8 Includes the Group's share of land contracted through joint venture partners comprising nil plots (2022 – 237 plots), with a contract value of nil (2022 – £12.7 million) across no sites (2022 – 1 site).
9 Average net cash is calculated by averaging the net cash position at 1 August and each month end during the year.

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Certain statements in this announcement are forward–looking statements which are based on Bellway p.l.c.'s expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. Such forward–looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward–looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward–looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward–looking statements. Forward–looking statements speak only as of the date of such statements and, except as required by applicable law, Bellway p.l.c. undertakes no obligation to update or revise publicly any forward–looking statements, whether as a result of new information, future events or otherwise.

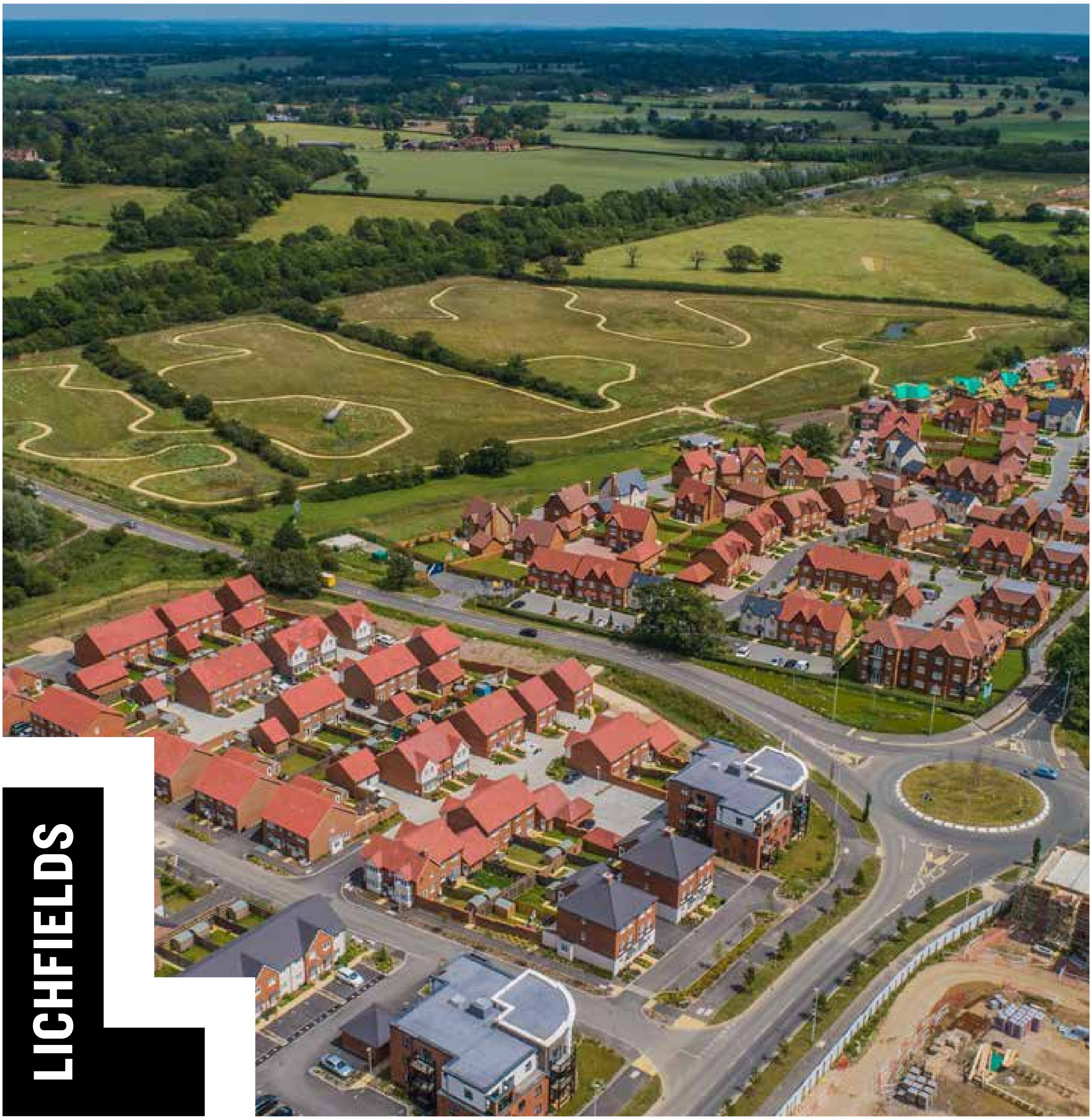
Appendix 5: JRHLS5 - Lichfields in the Start to Finish Report (Second Edition, February 2020)

INSIGHT
FEBRUARY 2020

Start to Finish

What factors affect the build-out rates of large scale housing sites?

SECOND EDITION



LICHFIELDS

LICHFIELDS

Lichfields is the pre-eminent planning and development consultancy in the UK

We've been helping create great places for over 50 years.

Executive summary

Lichfields published the first edition of Start to Finish in November 2016. In undertaking the research, our purpose was to help inform the production of realistic housing trajectories for plan making and decision taking. The empirical evidence we produced has informed numerous local plan examinations, S.78 inquiries and five-year land supply position statements.

Meanwhile, planning for housing has continued to evolve: with a revised NPPF and PPG; the Housing Delivery Test and Homes England upscaling resources to support implementation of large sites. Net housing completions are also at 240,000 dwellings per annum. With this in mind, it is timely to refresh and revisit the evidence on the speed and rate of delivery of large scale housing sites, now looking at 97 sites over 500 dwellings. We consider a wide range of factors which might affect lead-in times and build-out rates and have drawn four key conclusions.

In too many local plans and five-year land supply cases, there is insufficient evidence for how large sites are treated in housing trajectories. Our research seeks to fill the gap by providing some benchmark figures - which can be of some assistance where there is limited or no local evidence - but the averages derived from our analysis are not intended to be definitive and are no alternative to having a robust, bottom-up justification for the delivery trajectory of any given site.

We have drawn four key conclusions:

1 Large schemes can take 5+ years to start

Our research shows that if a scheme of more than 500 dwellings has an outline permission, then on average it delivers its first home in c.3 years. However, from the date at which an outline application is validated, the average figures can be 5.0-8.4 years for the first home to be delivered; such sites would make no contribution to completions in the first five years.

2 Lead-in times jumped post recession

Our research shows that the planning to delivery period for large sites completed since 2007/08 has jumped compared to those where the first completion came before 2007/08. This is a key area where improvements could be sought on timeliness and in streamlining pre-commencement conditions, but is also likely impacted by a number of macro factors.

3 Large greenfield sites deliver quicker

Large sites seem to ramp up delivery beyond year five of the development on sites of 2,000+ units. Furthermore, large scale brownfield sites deliver at a slower rate than their greenfield equivalents: the average rate of build out for greenfield sites in our sample is 34% greater than the equivalent brownfield.

4 Outlets and tenure matter

Our analysis suggests that having additional outlets on site has a positive impact on build-out rates. Interestingly, we also found that schemes with more affordable housing (more than 30%) built out at close to twice the rate as those with lower levels of affordable housing as a percentage of all units on site. Local plans should reflect that – where viable – higher rates of affordable housing supports greater rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale.

Key figures

180	sites assessed, with combined yield of 213k+ dwellings; 97 sites had 500+ homes
c.3yrs	average time taken from outline decision notice to first dwelling completions on sites of 500+ homes
8.4yrs	the average time from validation of the first planning application to the first dwelling being completed on schemes of 2,000+ dwellings
160 dpa	the average annual build-out rate for a scheme of 2,000+ dwellings (median: 137)
68 dpa	the average annual build rate of a scheme of 500-999 dwellings (median: 73)
+34%	higher average annual build-out rate on greenfield sites compared with brownfield sites
61 dpa	average completions per outlet on sites with one outlet, dropping to 51 for sites of two outlets, and 45 for sites with three outlets

01
Introduction

This is the second edition of our review on the speed of delivery on large-scale housing development sites. The first edition was published in November 2016 and has provided the sector with an authoritative evidence base to inform discussions on housing trajectories and land supply at planning appeals, local plan examinations and wider public policy debates.

Over this period, housing delivery has remained at or near the top, of the domestic political agenda: the publication of the Housing White Paper, the new NPPF, an emboldened Homes England, a raft of consultations on measures intended to improve the effectiveness of the planning system and speed up delivery of housing. Of particular relevance to *Start to Finish* was the completion of Sir Oliver Letwin's independent review of build out ("the Letwin Review"), the inclusion within the revised NPPF of a tighter definition of 'deliverable' for the purposes of five-year housing land supply (5YHLS) assessment, and the new Housing Delivery Test which provides a backward looking measure of performance. The policy aim is to focus more attention on how to accelerate the rate of housing build out, in the context of the NPPF (para 72) message that the delivery of a large numbers of new homes can often be best achieved through larger scale development such as new settlements or significant extensions to existing villages and towns, but that these need a realistic assessment of build-out rates and lead in times of large-scale development.

This second edition of *Start to Finish* is our response to the latest policy emphasis. It provides the planning sector with real-world benchmarks to help assess the realism of housing trajectory assumptions, particularly for locations where there have been few contemporary examples of strategic-scale development. The first edition looked in detail at how the size of the site affected build-out rates and lead in times, as well as other factors such as the value of the land and whether land was greenfield or brownfield. We have updated these findings, as well as considering additional issues such as how the affordability of an area and the number of outlets on a site impacts on annual build-out rates.

We have also expanded the sample size (with an extra 27 large sites, taking our total to 97 large sites, equivalent to over 195,000 dwellings) and updated with more recent data to the latest monitoring year (all data was obtained at or before the 1st April 2019).

Our research complements, rather than supplants, the analysis undertaken by Sir Oliver Letwin in his Review. The most important differentiation is that we focus exclusively on what has been built, whereas each of the sites in the Letwin Review included forecasts of future delivery. Additionally, the Letwin Review looked at 15 sites of 1,500+ homes, of which many (including the three largest) were in London. By contrast, the examples in this research sample include 46 examples of sites over 1,500 homes across England and Wales, the majority of which are currently active. As with the first edition of our research, we have excluded London because of the distinct market and delivery factors in the capital.

Contents

180

sites

97

large sites of 500 units or more

27

additional sites compared with our 2016 research

8

sites also included in Sir Oliver Letwin's review

02 Methodology

The evidence presented in this report analyses how large-scale housing sites emerge through the planning system, how quickly they build out, and identifies the factors which lead to faster or slower rates of delivery.

We look at the full extent of the planning and delivery period. To help structure the research and provide a basis for standardised measurement and comparison, the various stages of development have been codified. Figure 1 sets out the stages and the milestones used, which remain unchanged from the first edition of this research. The overall 'lead-in time' covers stages associated with gaining an allocation, going through the 'planning approval period' and 'planning to delivery period', finishing when the first dwelling is completed. The 'build period' commences when the first dwelling is completed, denoting the end of the lead-in time. The annualised build-out rates are also recorded for the development up until the latest year where data was available at April 2019 (2017/18 in most cases). Detailed definitions of each of these stages can be found in Appendix 1. Not every site assessed will necessarily have gone through each component of the identified stages as many of the sites we considered had not delivered all dwellings permitted at the time of assessment, some have not delivered any dwellings.

Information on the process of securing a development plan allocation (often the most significant step in the planning process for large-scale schemes, and which – due to the nature of the local plan process - can take decades) is not easy to obtain on a consistent basis across all examples, so is not a significant focus of our analysis. Therefore, for the purposes of this research the lead-in time reflects the start of the planning approval period up to the first housing completion.

The 'planning approval period' measures the validation date of the first planning application on the site (usually an outline application but sometimes hybrid), to the decision date of the first detailed application to permit dwellings in the scheme (either full, hybrid or reserved matters applications). It is worth noting that planning applications are typically preceded by significant amounts of pre-application engagement and work, plus the timescale of the local plan process.

The 'planning to delivery' period follows immediately after the planning approval period and measures the period from the approval of the first detailed application to permit development of dwellings and the completion of the first dwelling.

Development and data

Whilst our analysis focuses on larger sites, we have also considered data from the smaller sites for comparison and to identify trends. The geographic distribution of the 97 large sites and comparator small sites is shown in Figure 2 and a full list can be found in Appendix 2 (large sites) and Appendix 3 (small sites).

Efforts were made to secure a range of locations and site sizes in the sample, but there is no way of ensuring it is representative of the housing market in England and Wales as a whole, and thus our conclusions may not be applicable in all areas or on all sites. In augmenting our sample with 27 additional large sites, new to this edition of our research, we sought to include examples in the Letwin Review that were outside of London, only excluding them

Box 1: Letwin Review sites

1. Arborfield Green (also known as Arborfield Garrison), Wokingham
2. Ledsham Garden Village, Cheshire West & Chester
3. Great Kneighton (also known as Clay Farm), Cambridge (included in the first edition of this research)
4. Trumpington Meadows, Cambridge
5. Graven Hill, Cherwell
6. South West Bicester, Cherwell
7. Great Western Park, South Oxfordshire
8. Ebbsfleet, Gravesham and Dartford (included in the first edition of this research)

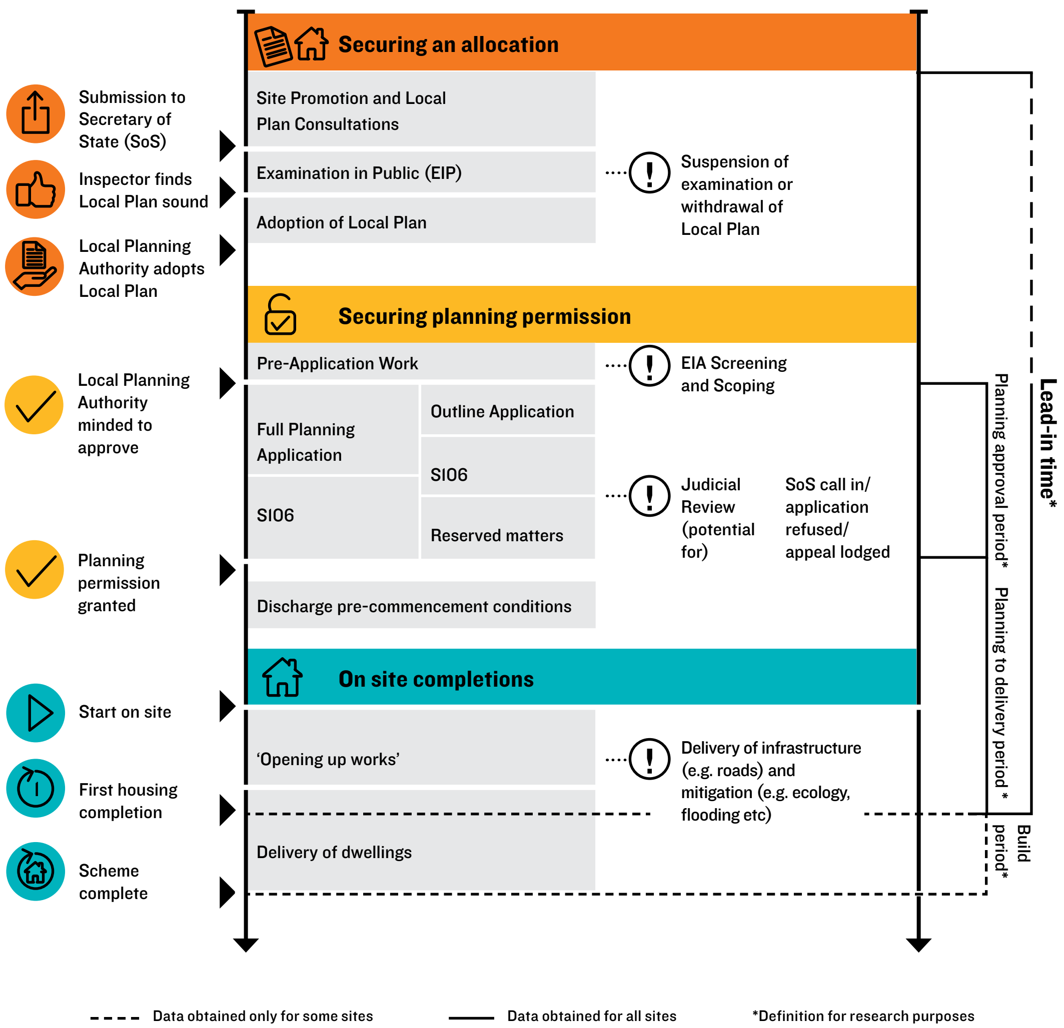
when it was difficult to obtain reliable data. The study therefore includes the Letwin Review's case studies listed in Box 1.

In most instances, we were unable to secure the precise completion figures for these sites that matched those cited in the Letwin Review. Sources for data Lichfields has obtained on completions for those sites that also appear in the Letwin Review are included at the end of Appendix 2.

The sources on which we have relied to secure delivery data on the relevant sites include:

1. Annual Monitoring Reports (AMRs) and other planning evidence base documents[1] produced by local authorities;
2. By contacting the relevant local planning authority, and in some instances the relevant County Council, to confirm the data or receive the most up to date figures from monitoring officers or planners; and
3. In a handful of instances obtaining/confirming the information from the relevant house builders.

Figure I: Timeline for the delivery of strategic housing sites



Source: Lichfields analysis

[1] Monitoring documents, five-year land supply reports, housing trajectories (some in land availability assessments), housing development reports and newsletters

395

196,714

units on large sites of 500 or more homes

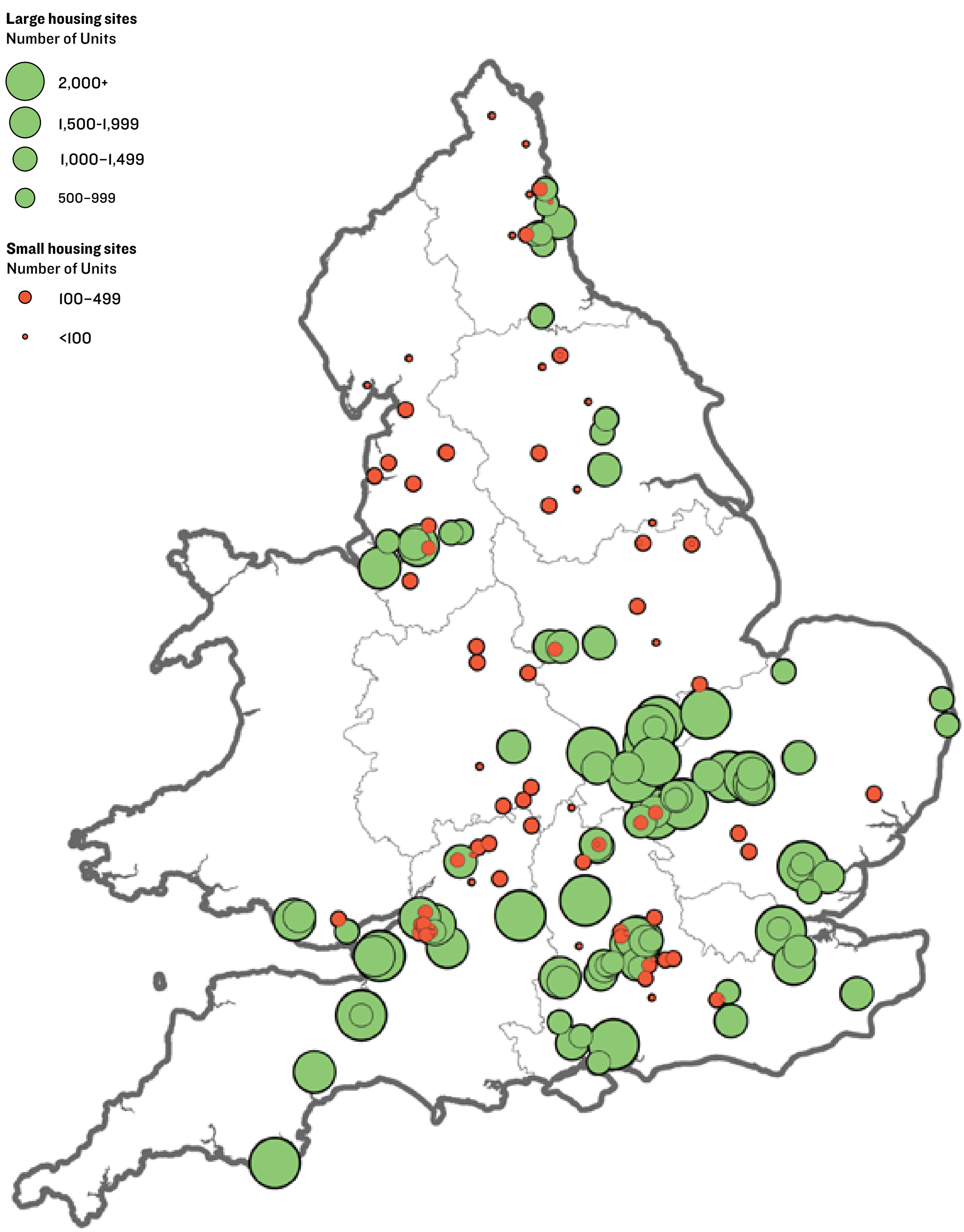
16,467

units on small sites under 500 homes

35

sites of 2,000 homes or more

Figure 2: Map of site sample by size of site (total dwellings)



Source: Lichfields analysis

03
Timing is everything: how long does it take to get started?

In this section we look at lead in times, the time it takes for large sites to get the necessary planning approvals. Firstly, the changing context of what 'deliverable' means for development. Secondly, the 'planning approval period' (the time it takes for large sites to get the necessary planning approvals). And thirdly, the 'planning to delivery period' (the time from approval of the first detailed application to permit development of dwellings to the completion of the first dwelling).

The new definition of 'Deliverable'

The question of how quickly and how much housing a site can begin delivering once it has planning permission, or an allocation, has become more relevant since the publication of the new NPPF with its new definition of deliverable. Only sites which match the deliverability criteria (i.e. suitable now, available now and achievable with a realistic prospect that housing will be delivered on the site within five years) can be included in a calculation of a 5YHLS by a local authority. This definition was tightened in the revised NPPF which states that:

"sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years". (emphasis added)

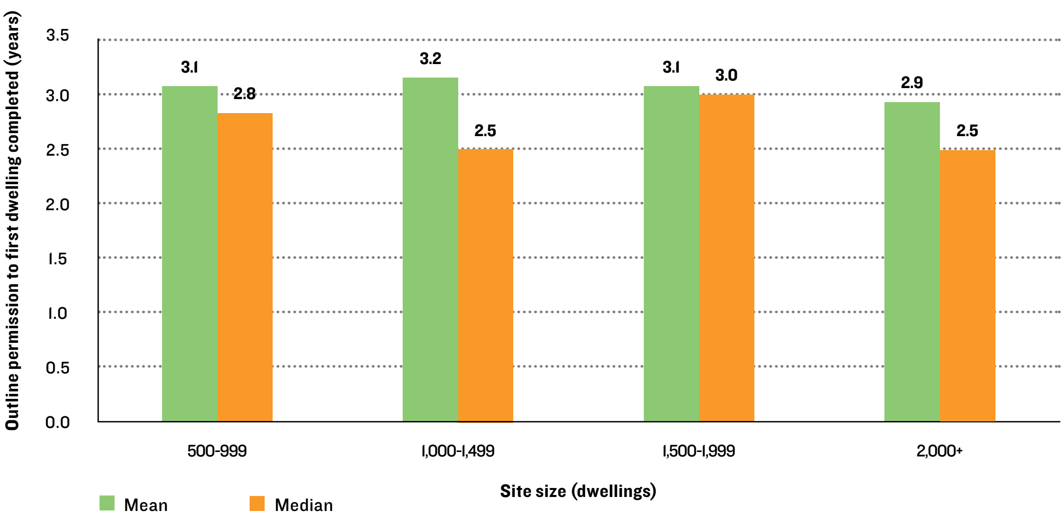
What constitutes 'clear evidence' was clarified in a number of early appeal decisions and in the Planning Practice Guidance[2] and can include information on progress being made towards submission of a reserved matters application, any progress on site assessment work and any relevant information about site viability, ownership constraints or infrastructure provision. In this context, it is relevant to look at how long it takes, on average, for a strategic housing site to progress from obtaining outline permission to delivering the first home (or how long it takes to obtain the first reserved matters approval, discharge pre-commencement conditions and open up the site), and then how much housing could be realistically expected to be completed in that same five-year period.

Based on our sample of large sites, the research shows that, upon granting of outline permission, the time taken to achieve the first dwelling is – on average c.3 years, regardless of site size. After this period an appropriate build-out rate based on the size of the site should also be considered as part of the assessment of deliverability (see Section 4). Outline planning permissions for strategic development are not

c.3 years

average time from obtaining outline permission to first dwelling completion on sites of 500+ homes

Figure 3: Average time taken from gaining outline permission to completion of the first dwelling on site (years), compared to site size



Source: Lichfeilds analysis

[2] Planning Practice Guidance Reference ID: 68-007-20190722

Only sites of fewer than 499 dwellings are on average likely to deliver any homes within an immediate five year period.

always obtained by the company that builds the houses, indeed master developers and other land promoters play a significant role in bringing forward large scale sites for housing development[3]. As such, some of these examples will include schemes where the land promoter or master developer will have to sell the site (or phases/parcels) to a housebuilder before the detailed planning application stage can commence, adding a step to the planning to delivery period.

Figure 4 considers the average timescales for delivery of the first dwelling from the validation of an outline planning application. This demonstrates that only sites comprising fewer than 499 dwellings are – on average - likely to deliver anything within an immediate five year period. The average time from validation of an outline application[4] to the delivery of the first dwelling for large sites ranges from 5.0 to 8.4 years dependent on the size of the site, i.e. beyond an immediate five-year period for land supply calculations.

Comparison with our 2016 findings

Planning Approval Period

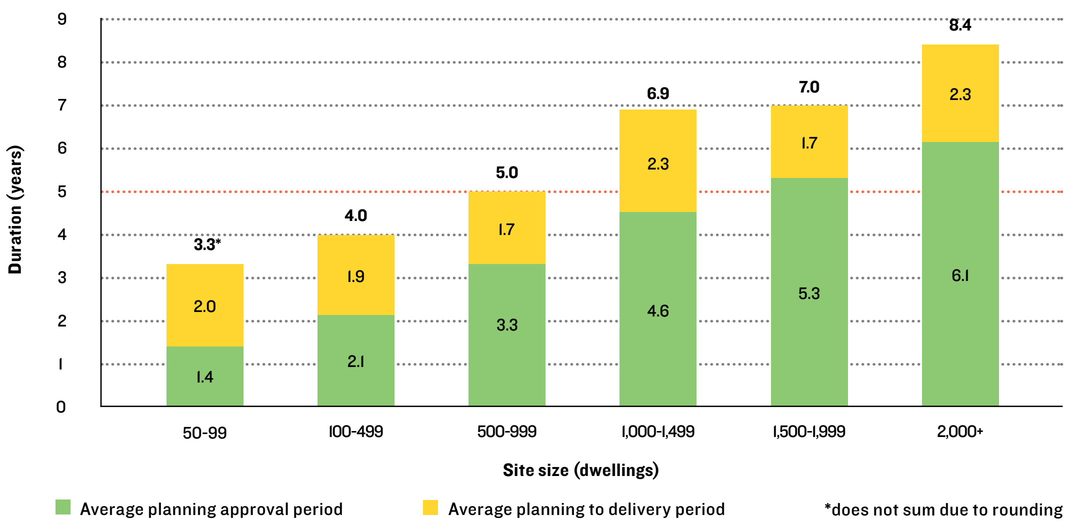
Our latest research reveals little difference between the average planning approval period by site size compared to the same analysis in the first edition (see Table 1). However, it is important to remember that these are average figures which come from a selection of large sites. There are significant variations within this average, with some sites progressing very slowly or quickly compared to the other examples. This is unsurprising as planning circumstances will vary between places and over time.

Table 1: Average planning approval period by size of site (years)

Site Size	1st edition research (years)	This research (years)
50-99	1.1	1.4
100-499	2.4	2.1
500-999	4.2	3.3
1,000-1,499	4.8	4.6
1,500-1,999	5.4	5.3
2,000+	6.1	6.1

Source: Lichfields analysis

Figure 4: Average timeframes from validation of first application to completion of the first dwelling



Source: Lichfields analysis

[3] Realising Potential - our research for the Land Promoters and Developers Federation in 2017 - found that 41% of homes with outline planning permission were promoted by specialist land promoter and development companies, compared to 32% for volume house builders.

[4] The planning approval period could also include a hybrid or full application, but on the basis of our examples this only impacts a small number of sites

Planning to Delivery Period

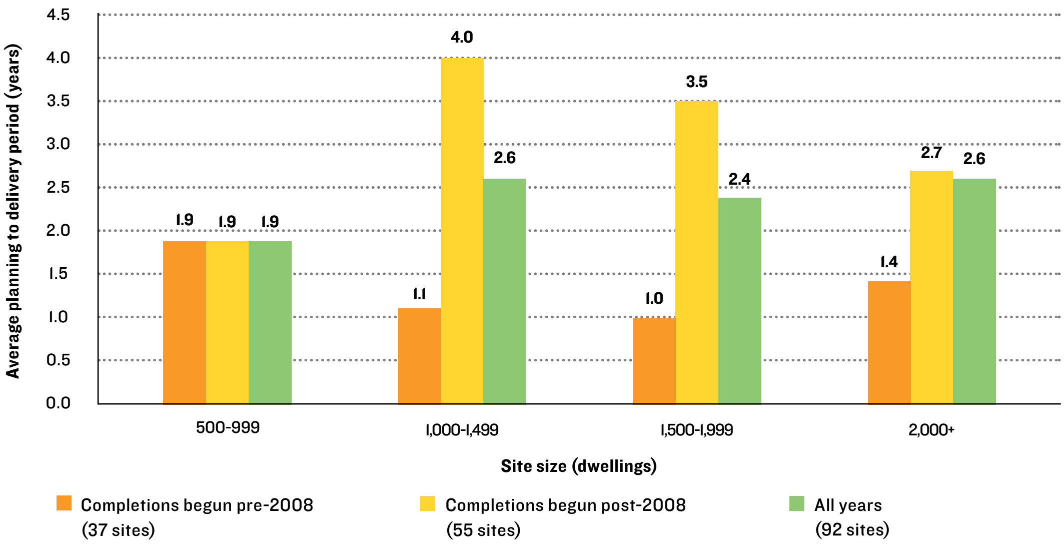
Although there is little difference between the average planning approval periods identified in this research compared to our first edition findings, the average lead-in time after securing planning permission is higher (Figure 5). It is this period during which pre-commencement planning conditions have to be discharged as well as other technical approvals and associated commercial agreements put in place.

This is likely due to the inclusion of more recent proposed developments in this edition. Of the 27 new sites considered, 17 (63%) completed their first dwelling during or after 2012; this compares to just 14 (20%) out of 70 sites in the first edition of this research (albeit at the time of publication 8 of these sites had not delivered their first home but have subsequently). This implies that the introduction of more recent examples into the research, including existing examples which have now commenced delivery[5], has seen the average for planning to delivery periods lengthening.

A similar trend is apparent considering the 55 sites that delivered their first completions after 2007/08. These have significantly longer planning to delivery periods than those where completions began prior to the recession. The precise reasons are not clear, but is perhaps to be expected given the slowdown in housing delivery during the recession, and the significant reductions in local authority planning resources which are necessary to support discharge of pre-commencement conditions. However, delays may lie outside the planning system; for example, delays in securing necessary technical approvals from other bodies and agencies, or market conditions.

Sites that delivered their first completion during or after the 2007/08 recession have significantly longer planning to delivery periods than sites which began before.

Figure 5: Planning to delivery period, total average, pre and post-2008



Source: Lichfeilds analysis

Figure 5: Five of the large sites examples do not have a first dwelling completion recorded in this research

[5] Priors Hall has been amended since the first edition based on more recent data

In demand: how quickly do high pressure areas determine strategic applications for housing?

Using industry-standard affordability ratios, we found that areas with the least affordable places to purchase a home (i.e. the highest affordability ratios) tended to have longer planning to delivery times than areas that were more affordable. This is shown in Figure 6, which splits the large site sample into national affordability quartiles, with the national average equating to 8.72.

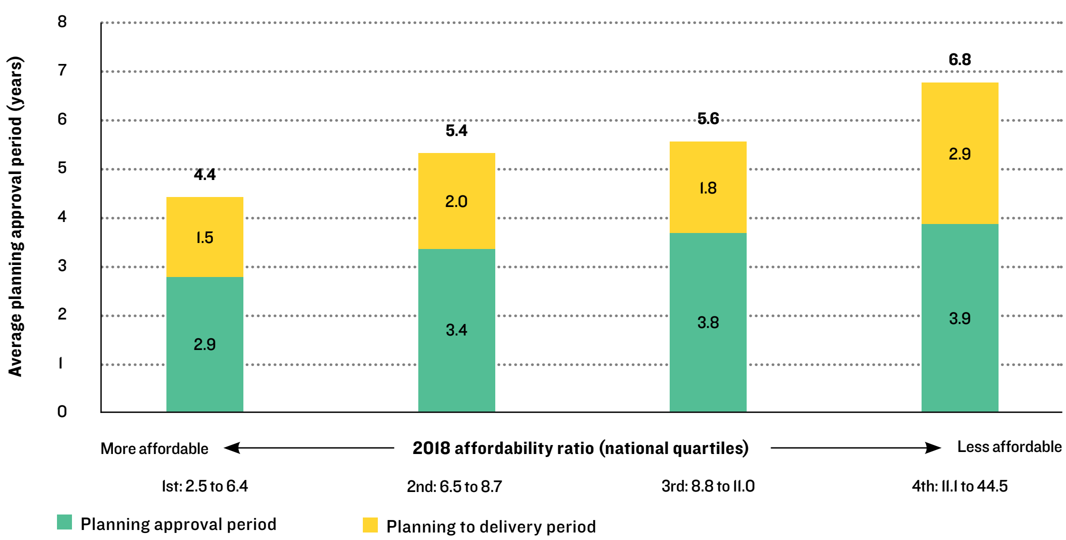
The above analysis coincides with the fact (Table 2) that sites in the most affordable locations (lowest quartile) tend to be smaller than those in less affordable locations (an average site size of c.1,150 compared to in excess of 2,000 dwellings for the three other quartiles). Even the least affordable LPAs (with the greatest gap between workplace earnings and house prices) have examples of large schemes with an average site size of 2,000+ dwellings. It may be that the more affordable markets do not support the scale of up-front infrastructure investment that is required for larger-scale developments and which lead to longer periods before new homes can be built. However, looking at the other three quartiles, the analysis does also suggest that planning and implementation becomes more challenging in less affordable locations.

Table 2: Site size by 2018 affordability ratio

Affordability ratio (workplace based)	Average site size
2.5 – 6.4	1,149
6.5 – 8.7	2,215
8.8 – 11.0	2,170
11.1 – 44.5	2,079

Source: Lichfields analysis

Figure 6: Planning approval period (years) by 2018 affordability ratio



Source: Lichfields analysis

04
How quickly do sites build out?

The rate at which new homes are built on sites is still one of the most contested matters at local plan examinations and planning inquiries which address 5YHLS and housing supply trajectories. The first edition of this research provided a range of 'real world' examples to illustrate what a typical large-scale site delivers annually. The research showed that even when some schemes were able to achieve very high annual build-out rates in a particular year (the top five annual figures were between 419-620 dwellings per annum), this rate of delivery was not always sustained. Indeed, for schemes of 2,000 or more dwellings the average annual completion rate across the delivery period was 160 dwellings per annum.

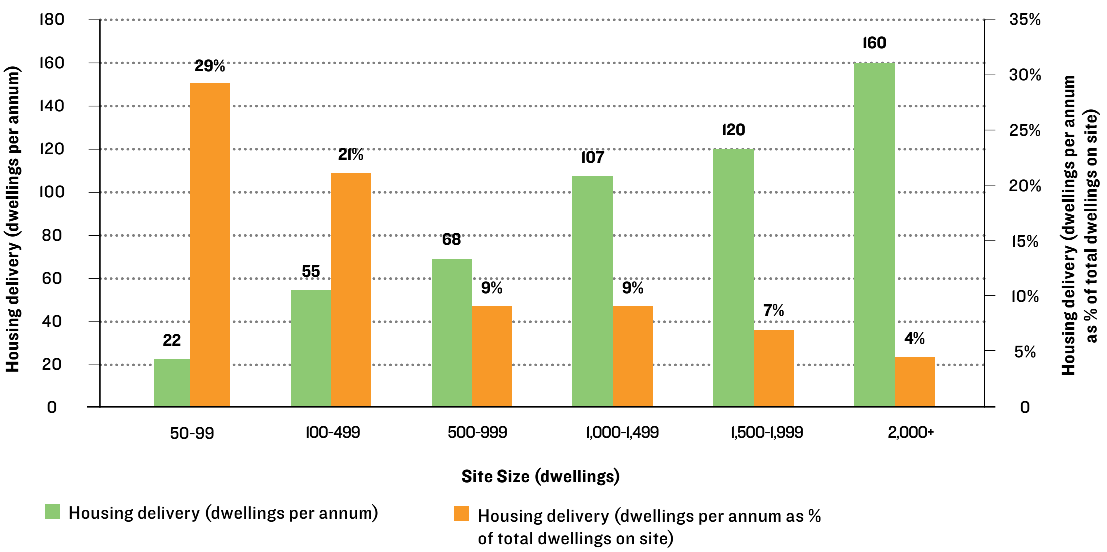
Average Annual Build-out rates

Figure 7 presents our updated results, with our additional 27 sites and the latest data for all sites considered. The analysis compares the size of site to its average annual build-out rate. Perhaps unsurprisingly, larger sites deliver on average more dwellings per year than smaller sites. The largest sites in our sample of over 2,000 dwellings, delivered on average more than twice as many dwellings per year than sites of 500-999 dwellings, which in turn delivered an average of three times as many units as sites of 1-99 units. To ensure the build-out rates averages are not unduly skewed, our analysis excludes any sites which have only just started delivering and have less than three years of data. This is because it is highly unlikely that the first annual completion figure would actually cover a whole monitoring year, and as such could distort the average when compared to only one other full year of delivery data.

160 dpa

the average annual build rate for schemes of 2,000+ dwellings

Figure 7: Build-out rate by size of site (dpa)



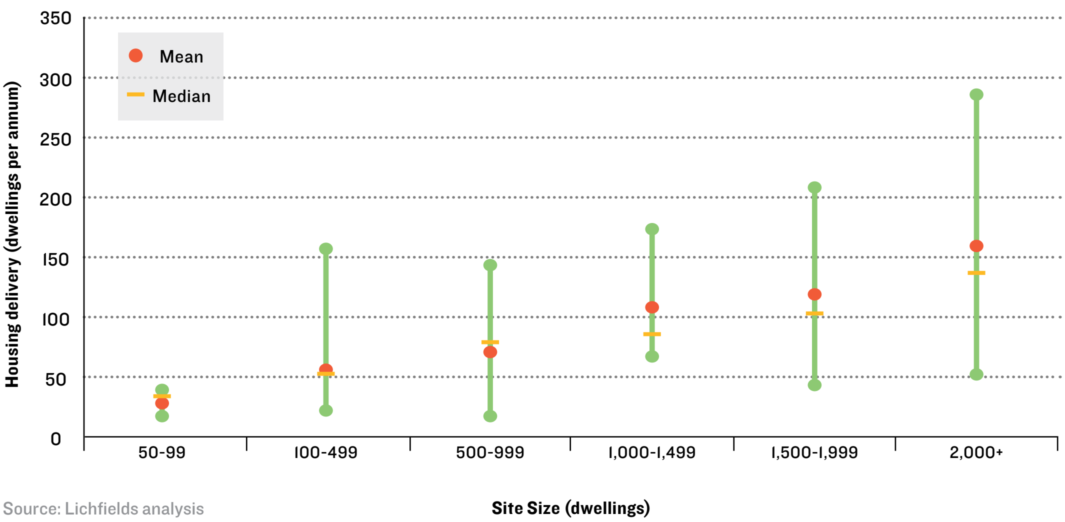
Source: Lichfields analysis

In most cases the median annual delivery rate is lower than the mean for larger sites.

We include the relevant percentage growth rates in this edition's analysis; this shows that the proportion of a site's total size that is build out each year reduces as site size increases.

Our use of averages refers to the arithmetic mean across the sample sites. In most cases the median of the rates seen on the larger sample sites is lower, as shown in Figure 8; this reflects the small number of sites which have higher delivery rates (the distribution is not equal around the average). The use of mean average in the analysis therefore already builds in a degree of optimism compared with the median or 'mid-point scheme'.

Figure 8: Minimum, mean, median and maximum build-out rates by size of site (dpa)



Source: Lichfields analysis

Table 3: Median and mean delivery rates by site size

Site Size	Number of sites	Median housing delivery (dwellings per annum)	Median delivery as % of total on site	Mean annual delivery (dwellings per annum)	Mean annual delivery as % of total units on site
50-99	29	27	33%	22	29%
100-499	54	54	24%	55	21%
500-999	24	73	9%	68	9%
1,000-1,499	17	88	8%	107	9%
1,500-1,999	9	104	7%	120	7%
2,000+	27	137	4%	160	4%

Source: Lichfields analysis

Comparison with our 2016 findings

Comparing these findings to those in the first edition of this research, there is very little difference between the averages observed (median was not presented) for different site sizes, as set out below. The largest difference is a decrease in average annual build-out rates for sites of 1,000-1,499 dwellings, but even then, this is only a reduction of 10 dpa or 9%.

As with the first edition of the research, these are averages and there are examples of sites which deliver significantly higher and lower than these averages, both overall and in individual years. Figure 8 shows the divergence from the average for different site size categories. This shows that whilst the average for the largest sites is 160 dpa and the median equivalent 137 dpa, the highest site average was 286 dpa and the lowest site average was 50 dpa for sites of 2,000+ dwellings. This shows the need for care in interpreting the findings of the research, there may well be specific factors that mean a specific site will build faster or slower than the average. We explore some of the factors later in this report.

Variations for individual schemes can be marked. For example, the 2,605 unit scheme South of the M4 in Wokingham delivered 419 homes in 2017/18, but this was more than double the completions in 2016/17 (174) and the average over all six years of delivery so far was just 147 dwellings per annum.

Even when sites have seen very high peak years of delivery, as Table 5 shows, no sites have been able to consistently delivery 300 dpa.

Site build-out rates for individual years are highly variable. For example, one scheme in Wokingham delivered more than twice as many homes in 2017/18 as it did in the year before.

Table 4: Mean delivery rates by site sizes, a comparison with first edition findings

Site size (dwellings)	2016 edition research (dpa)	2020 edition research (dpa)	Difference
50-99	27	22	-5 (-19%)
100-499	60	55	-5 (-8%)
500-999	70	68	-2 (-3%)
1,000-1,499	117	107	-10 (-9%)
1,500-1,999	129	120	-9 (-7%)
2,000+	161	160	-1 (-0.62%)

Source: Lichfields analysis

Table 5: Peak annual build-out rates compared against average annual delivery rates on those sites

Site	Site size (dwellings)	Peak annual build-out rate (dpa)	Average annual build-out rate (dpa)
Cambourne, South Cambridgeshire	4,343	620	223
Oakley Vale, Corby	3,100	520	180
Eastern Expansion Area, Milton Keynes	4,000	473	268
Clay Farm, Cambridge	2,169	467	260
South of M4, Wokingham	2,605	419	147
Cranbrook, East Devon	2,900	419	286

Source: Lichfields analysis

Table 5: Please note The Hamptons was included as an example of peak annual delivery in the first edition with one year reaching 520 completions. However, evidence for this figure is no longer available and as it was not possible to corroborate the figure it has been removed. The analysis has been updated to reflect the latest monitoring data from Peterborough City Council.

Longer term trends

This section considers the average build-out rates of sites which have been delivering over a long period of time. This is useful in terms of planning for housing trajectories in local plans when such trajectories may span an economic cycle.

In theory, sites of more than 2,000 dwellings will have the longest delivery periods. Therefore, to test long term averages we have calculated an average build-out rate for sites of 2,000+ dwellings that have ten years or more of completions data available.

For these sites, the average annual build-out rate is slightly higher than the average of all sites of that size (i.e. including those only part way through build out), at 165 dwellings per annum[6]. The median for these sites was also 165 dwellings per annum.

This indicates that higher rates of annual housing delivery on sites of this size are more likely to occur between years five and ten, i.e. after these sites have had time to 'ramp up'.

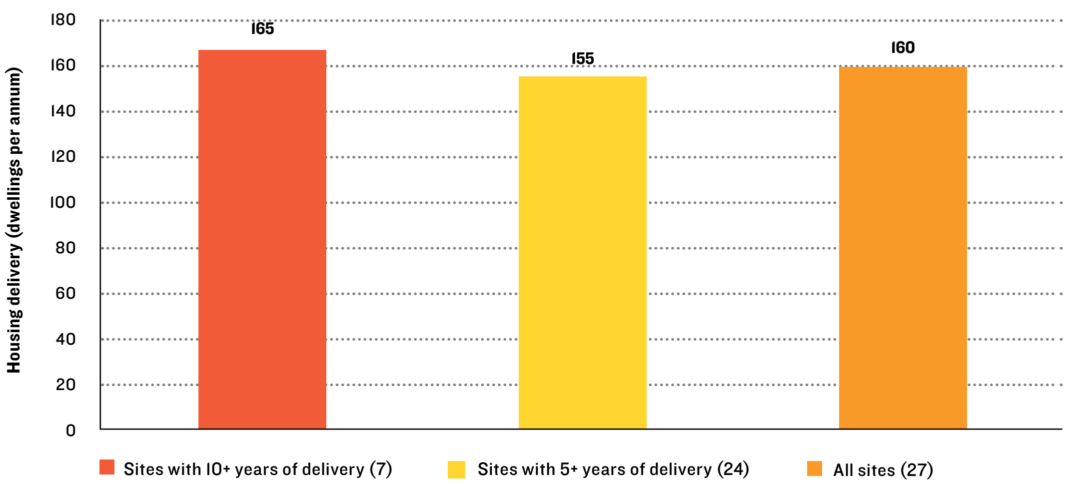
It might even relate to stages in delivery when multiple phases and therefore multiple outlets (including affordable housing) are operating at the same time. These factors are explored later in the report.

The impact of the recession on build-out rates

It is also helpful to consider the impact of market conditions on the build-out rate of large scale housing sites. Figure 10 overleaf shows the average delivery rate of sites of 2,000 or more dwellings in five-year tranches back to 1995/96. This shows that although annual build-out rates have improved slightly since the first half of the 2010's, they remain 37% below the rates of the early 2000's. The reasons for the difference are not clear and are worthy of further exploration – there could be wider market, industry structure, financial, planning or other factors at play.

In using evidence on rates of delivery for current/historic schemes, some planning authorities have suggested that one should adjust for the fact that rates of build out may have been affected by the impact of the recession. We have therefore considered how the average rates change with and without including the period of economic downturn (2008/09 – 2012/13). This is shown in Table 6 and it reveals that average build-out rates are only slightly depressed when one includes this period, but may not have fully recovered to their pre-recession peaks. We know that whilst the recession – with the crunch on mortgage

Figure 9: Average build-out rate for sites over 2,000 homes by length of delivery period (dpa)



Source: Lichfields analysis

[6] This is based on the completions of seven examples, Chapelford Urban Village, Broadlands, Kings Hill, Oakley Vale, Cambourne, The Hamptons and Wixhams

availability – did have a big impact and led to the flow of new sites slowing, there were mechanisms put in place to help sustain the build out of existing sites.

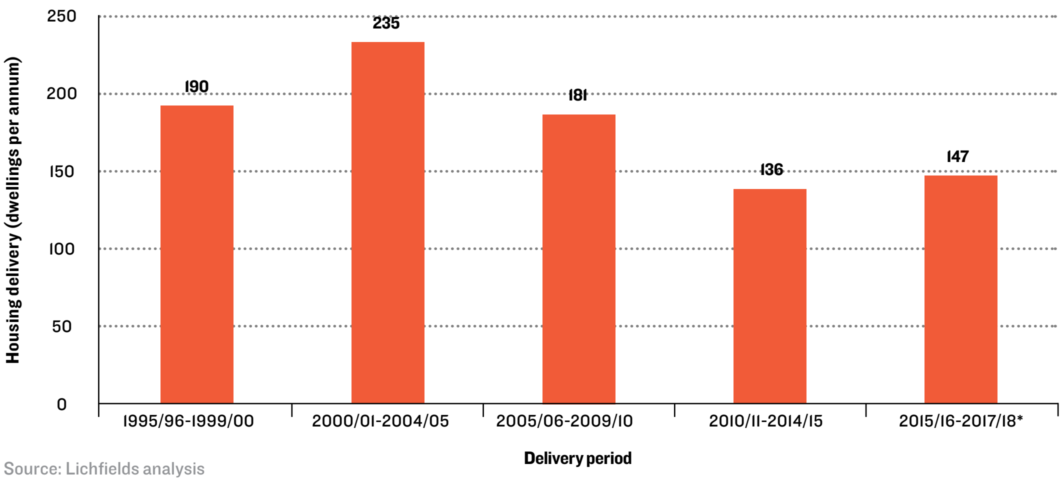
However, setting aside that stripping out the recession has a modest impact on the statistical averages for the sites in our sample, the more significant point is that – because of economic cycles - larger sites which build out over five or more years are inherently likely to coincide with a period of economic slowdown at some point during their build out. It therefore makes sense for housing trajectories for such sites to include an allowance for the prospect that, at some point, the rate of build out may slow due to a market downturn, albeit the effect may be smaller than one might suspect.

Table 6: Impact of recession on build-out rates

	Build-out rates in all years		Build-out rates excluding recession years (2008/9-2012/13)		Build-out rates pre-recession	
	Average rate	Sample size	Average rate	Sample size	Average rate	Sample size
All large sites 500+	115	77	126	68	130	21
All large sites 2,000+	160	27	171	25	242	6
Greenfield sites 2,000+	181	14	198	12	257	3

Source: Lichfields analysis

Figure 10: Average build-out rate by five year period for sites over 2,000 dwellings (dpa)



Source: Lichfields analysis

05
What factors can influence build-out rates?

+34%

higher average annual build-out rates on greenfield land compared with brownfield

Having established some broad averages and how these have changed over time, we turn now to look at what factors might influence the speed at which individual sites build out. How does housing demand influence site build out? What is the impact of affordable housing? Does it matter whether the site is greenfield or brownfield? What about location and site configuration?

In demand: do homes get delivered faster in high pressure areas?

One theory regarding annual build-out rates is that the rate at which homes can be sold (the 'absorption rate') determines the build-out rate. This is likely to be driven by levels of market demand relative to supply for the product being supplied.

This analysis considers whether demand for housing at the local authority level affects delivery rates by using (industry-standard) affordability ratios. Higher demand areas are indicated by a higher ratio of house prices to earnings i.e. less affordable. Whilst this is a broad-brush measure, the affordability ratio is a key metric in the assessment of local housing need under the Government's standard methodology. Figure 11 shows the sample of 500+ unit schemes divided into those where the local authority in which they are located is above or below the national median affordability ratio (8.72) for sites which have delivered for three years or more. This analysis shows that sites in areas of higher demand (i.e. less affordable) deliver on average more dwellings per annum.

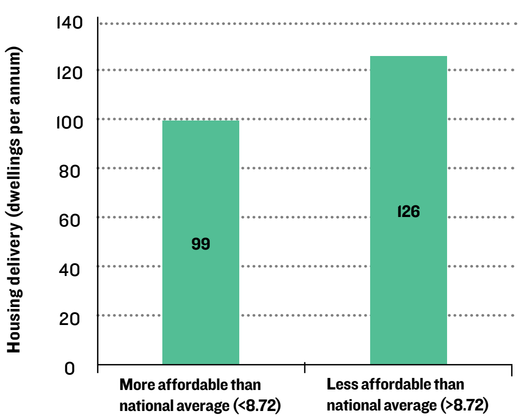
Our analysis also coincides with the fact that sites in less affordable areas are on average c.17% larger than those in more affordable areas. The average site size for schemes in areas where affordability is below the national average is 1,834 dwellings. For those delivered in areas where the affordability is greater than the national average, average site size is 2,145 dwellings. So, it is possible that the size of site – rather than affordability *per se* – is a factor here.

Do sites on greenfield land deliver more quickly?

The first edition of this research showed that greenfield sites on average delivered quicker than their brownfield counterparts. In our updated analysis this remains the case; large greenfield sites in our sample built out a third faster than large brownfield sites.

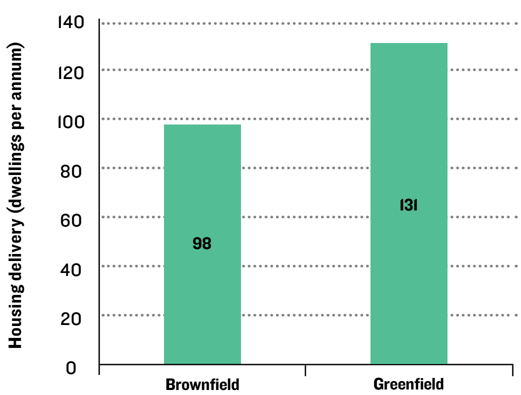
In the life cycle of a site, our data also shows that greenfield sites had shorter planning to delivery periods (2.0 years compared to 2.3 for brownfield sites), although on average, longer planning approval periods (5.1 years compared to 4.6 for brownfield sites).

Figure 11: Build-out rates by level of demand using national median 2018 workplace based affordability ratio (dpa)



Source: Lichfields analysis

Figure 12: Build-out rates on brownfield and greenfield sites (dpa)



Source: Lichfields analysis

Housing mix and variety

Among the more topical issues surrounding delivery rates on large-scale sites is the variety of housing on offer. The Letwin Review posited that increasing the diversity of dwellings on large sites in areas of high housing demand would help achieve a greater rate of build out. The report concluded that a variety of housing is likely to appeal to a wider, complementary range of potential customers which in turn would mean a greater absorption rate of housing by the local market.

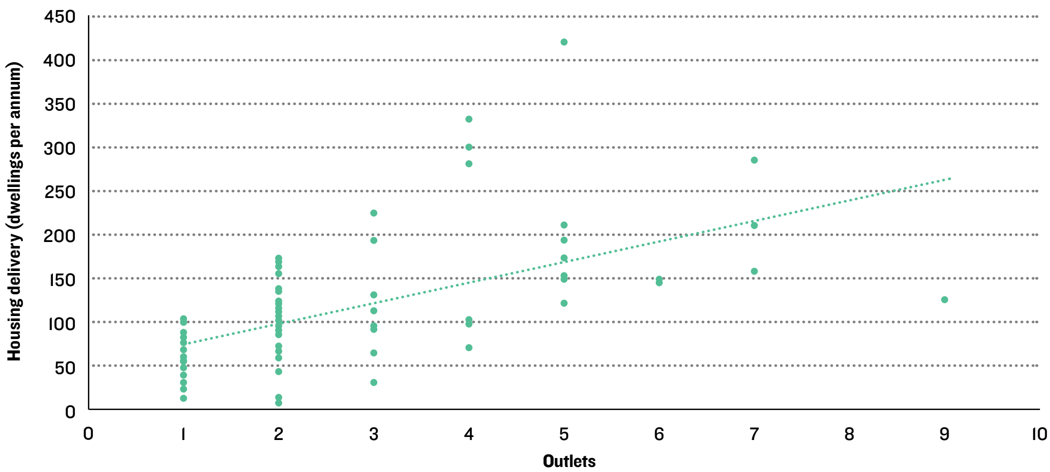
Consistent data on the mix of sizes, types and prices of homes built out on any given site is difficult to source, so we have used the number of sales outlets on a site as a proxy for variety of product. This gives the prospect of multiple house builders each seeking to build and sell homes for which there is demand in the face of 'competing' supply from other outlets (as revealed by the case study of Land South of the M4 in Wokingham). Letwin stated that *"...it seems extraordinarily likely that the presence of more variety in these aesthetic characteristics would create more, separate markets"*[7]. Clearly, it is likely that on many sites, competing builders may focus on a similar type of product, for example three or four bed family housing, but even across similar types of dwelling, there will be differences (in configuration, design, specification) that mean one product may be attractive to a purchaser in the way another might not be. On this basis, we use the outlets metric as a proxy for variation. Based on the limited data available for this analysis, if two phases are being built out at the same time by the same housebuilder (e.g. two concurrent parcels by Bovis) this has been counted as one outlet with the assumption there is little variety (although it is clear that some builders may in reality differentiate their products on the same site). This data was derived from sites in a relatively small number of local planning authorities who publish information relating to outlets on site. It therefore represents a small sample of just 12 sites, albeit over many different years in which the number of outlets varied on the same site, giving a total of 80 data points i.e. individual delivery rates and number of outlets to compare.

Our analysis confirms that having more outlets operating at the same time will on average have a positive impact on build-out rates, as shown in Figure 13. However, there are limits to this, likely to be due to additional capacity from the outlets themselves as well as competition for buyers.

On a site-by-site basis, the average number of outlets open over the site's entire delivery lifetime had a fairly strong correlation with annual delivery, both as a percentage of total dwellings and in absolute terms, with a greater number of outlets contributing to higher levels of delivery. However, the completions per outlet did reduce with every additional outlet operating in that year.[8]

Having more outtlets operating at the same time will on average quicken build-out rates.

Figure 13: Build-out rates by number of outlets present (dpa)



Source: Lichfields analysis

[7] Letwin Review draft analysis report (June 2018) - final bullet of para 4.25

[8] Average completions per outlet on site with one outlet was 61dpa, dropping to 51dpa for two outlets and 45dpa for three outlets.

Geography and Site Configuration

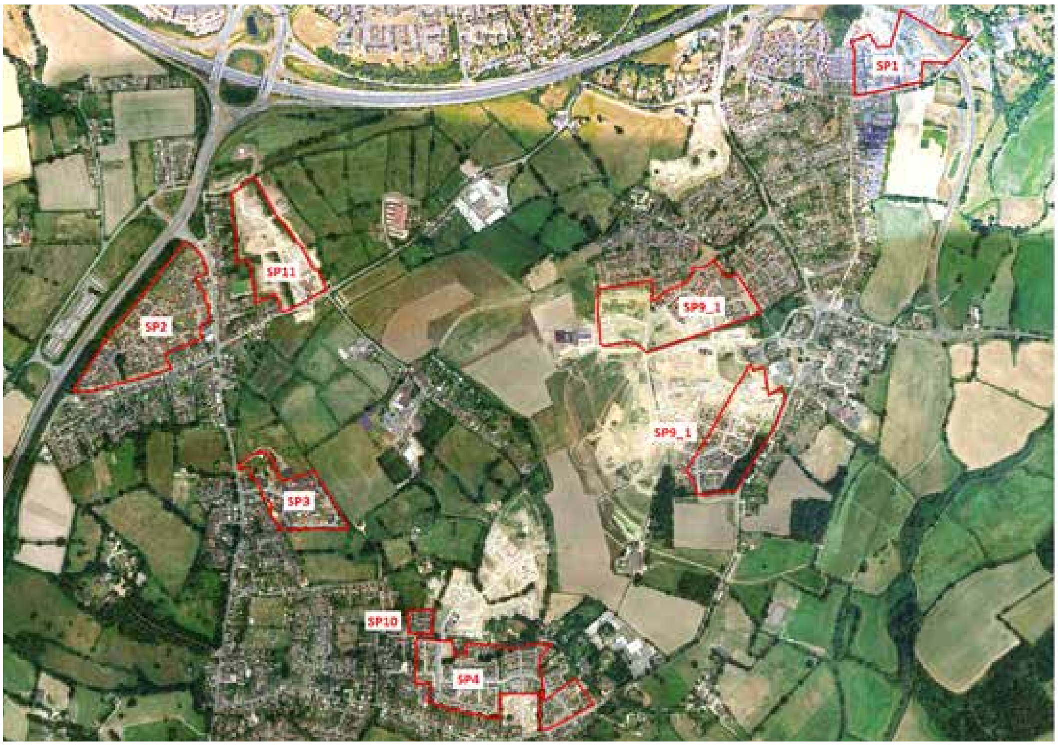
An under-explored aspect of large-scale site delivery is the physical opportunity on site. For example, some schemes lend themselves to simultaneous build out of phases which can have the impact of boosting delivery rates in that year, for example, by having access points from two alternative ends of the site. Other sites may be reliant on one key piece of infrastructure which make this opportunity less likely or impractical. In the first edition of this research we touched on this point in relation to Eastern Expansion Area (Broughton Gate & Brooklands) of Milton Keynes. As is widely recognised, the planning and delivery of housing in Milton Keynes is distinct from almost all the sites considered in this research as serviced parcels with the roads already provided were delivered as part of the Milton Keynes delivery model. Multiple house builders were able to proceed straight onto the site and commence delivery on different serviced parcels, with monitoring data from Milton Keynes Council suggesting an average of c.12 parcels were active across the build period. In this second edition of this research the Milton Keynes examples remain some of the sites with the highest annual build-out rates.

Table 7: Parcels at Land South of M4, Wokingham

Parcel reference	Developers (active outlets)	Completions in 2017/18
SP1	Bellway (1)	59
SP2w	Bellway and Bovis (-)	None - parcel completed
SP3	Crest Nicholson (1)	47
SP4	Taylor Wimpey and David Wilson Homes (2)	140
SP9_1	Bloor, Bovis and Linden (3)	169
SP10	Darcliffe Homes (-)	None - parcel completed
SP11	Taylor Wimpey (1)	4

Source: Lichfields analysis

Figure 14: Map of parcels at Land South of M4, Wokingham



Source: © Google Earth 2020/ Wokingham Local Plan

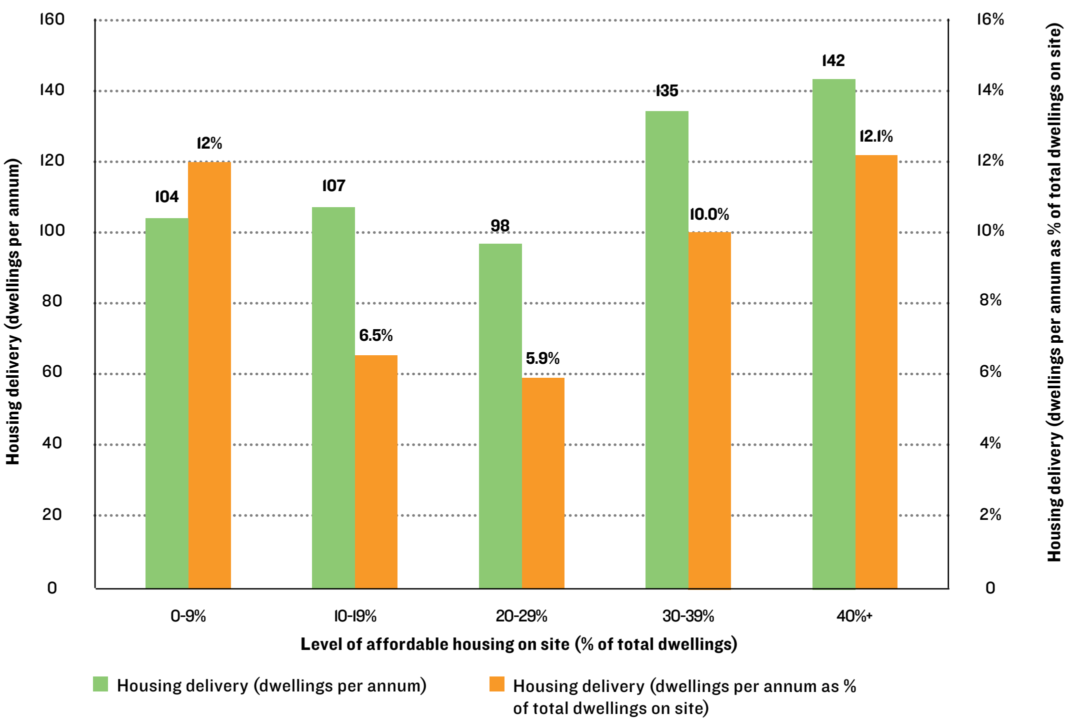
In this edition we look at the case study of Land South of the M4 in Wokingham. In 2017/18 the site achieved a significant 419 completions. Using the local authority's granular recording of delivery on the site to date, we have been able to consider where these completions were coming forward from within the wider 2,605 dwelling scheme. As shown in Figure 14, in that year new homes were completed on five separate parcels with completions ranging from 4 to 169 dwellings. On some of these parcels (SP9_1 and SP4) there were two or three separate housebuilders building out, and in total on the site there were seven different house building companies active (the impact of multiple outlets on build-out rates is explored later in this report). The parcels are located in separate parts of the site and each had their own road frontages and access arrangements which meant they are able to come forward in parallel. This can enable an increased build rate.

Affordable choices: do different tenures provide more demand?

Our findings on tenure, another form of 'variety' in terms of house building products, are informed by data that is available on about half the sites in our large site sample. From this the analysis shows schemes with more affordable housing built out at close to twice the rate as those with lower levels of affordable housing as a percentage of all dwellings on site. However this is not always the case. Schemes with 20-29% affordable housing had the lowest build-out rates, both in terms of dwellings and proportionate to their size.

Schemes with more affordable housing built out at close to twice the rates as those with lower levels.

Figure 15: Build-out rates by level of affordable housing (dpa and percentage)



Source: Lichfields analysis

06
Conclusions

Recent changes to national planning policy emphasise the importance of having a realistic expectation of delivery on large-scale housing sites, whilst local authorities now find themselves subject to both forward and backward-looking housing delivery performance measures. A number of local plans have hit troubles because they over-estimated the yield from some of their proposed allocations. Meanwhile, it is no longer sufficient for a 5YHLS to look good on paper; the Housing Delivery Test means there are consequences if it fails to convert into homes built.

To ensure local authorities are prepared for these tests, plan making and the work involved in maintaining housing land supply must be driven by realistic and flexible housing trajectories, based on evidence and the specific characteristics of individual sites and local markets. For local authorities to deliver housing in a manner which is truly plan-led, this is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and being realistic about how fast they will deliver so supply is maintained throughout the plan period. Equally, recognising the ambition and benefits of more rapid build out on large sites, it may mean a greater focus on how such sites are developed.

Our research provides those in the public and private sector with a series of real-world benchmarks in this complex area of planning for large scale housing, which can be particularly helpful in locations where there is little recent experience of such strategic developments. Whilst we present some statistical averages, the real relevance of our findings is that there are likely to be many factors which affect lead-in times and build-out rates, and that these - alongside the characteristics of individual sites - need to be considered carefully by local authorities relying on large sites to deliver planned housing.

In too many local plans and 5YHLS cases, there is insufficient evidence for how large sites are treated in housing trajectories. This research seeks to fill the gap with some benchmark figures - which can be of some assistance where there is limited or no local evidence. But the average derived from our analysis are not intended to be definitive and are no alternative to having a robust, bottom-up justification for the delivery trajectory of any given site. It is clear from our analysis that some sites start and deliver more quickly than the average, whilst others have delivered much more slowly. Every site is different. Therefore, whilst the averages observed in this research may be a good starting point, there are a number of key questions to consider when estimating delivery on large housing sites, based around the three key elements in the three-tier analytical framework at Figure 16.

Key findings:

1 Large schemes can take 5+ years to start

In developing a local plan, but especially in calculating a 5YHLS position, it is important to factor in a realistic planning approval period dependent on the size of the site. Our research shows that if a scheme of more than 500 dwellings has an outline permission, then the average time to deliver its first home is two or three years. However, from the date at which an outline application is validated it can be 5.0 - 8.4 years for the first home to be delivered dependent on the size of the site. In these circumstances, such sites would make no contribution to completions in the first five years.

2 Lead-in times jumped post-recession

Whilst attention and evidence gathering is often focused on how long it takes to get planning permission, the planning to delivery period from gaining permission to building the first house has also been increasing. Our research shows that the planning to delivery period for large sites completed since 2007/08 has jumped compared to those where the first completion came before 2007/08. This is a key area where improvements could be sought on timeliness and in streamlining pre-commencement conditions, but is also likely impacted by a number of macro factors including the recession and reductions in local authority planning resources.

3 Large greenfield sites deliver quicker

Large sites can deliver more homes per year over a longer time period, with this seeming to ramp up beyond year five of the development on sites of 2,000+ units. However, on average these longer-term sites also have longer lead-in times. Therefore, short term boosts in supply, where needed, are likely to also require a good mix of smaller sites. Furthermore, large scale greenfield sites deliver at a quicker rate than their brownfield equivalents: the average rate of build out for greenfield sites in our sample was 34% greater than the equivalent figure for those on brownfield land. In most locations, a good mix of types of site will therefore be required.

4 Outlets and tenure matter

Our analysis suggests that having additional outlets on site has a positive impact on build out rates, although there is not a linear relationship. Interestingly, we also found that schemes with more affordable housing (more than 30%) built out at close to twice the rate as those with lower levels of affordable housing as a percentage of all units on site, but those with 20-29% had the lowest rates of all. Local plans should reflect that – where viable – higher rates of affordable housing supports greater rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale, such as build to rent and self-build (where there is demand).

Figure 16: Key questions for assessing large site build-out rates and delivery timelines

Planning Approval

- Is the site already allocated for development? If it is in an emerging Plan, does it need to be adopted before the site can be brought forward?
- Is an SPD, masterplan or development brief required and will it help resolve key planning issues?
- Is there an extant planning permission or live planning application submitted?
- If outline permission is granted, when will reserved matters be submitted?
- Is the proposal of the promoter consistent with local policy and/or SPD/Masterplan?
- Are there significant objections to the proposal from local residents?
- Are there material objections to the proposal from statutory bodies?
- If planning permission is secured, is reserved matters approval required?

Lead In

- Does the scheme have pre-commencement conditions?
- Is the land in existing use?
- Has the land been fully assembled?
- Are there any known technical constraints that need to be resolved?
- If in multiple ownership/control, are the interests of all parties aligned?
- Is there up-front infrastructure required before new homes can be built?
- Has the viability of the proposal been established and is the feasibility consistent with known infrastructure costs and the likely rate of development?
- Does the proposal rely on access to public resources and what evidence is there on when those will be available?
- Is the scheme led by a promoter or master developer who will need to dispose of phases to a house builder before completions begin?

Build Out

- How large is the site?
- How strong is the local market?
- Does the site tap into local demand from one or more existing neighbourhoods?
- Will delivery be affected by competing sites?
- How many sales outlets will be supported by the scale, configuration and delivery model for the site?
- What is the track record of the promoter/master developer in delivery of comparable sites?
- How active are different housebuilders in the local market?
- What proportion of affordable housing is being delivered?
- Are there policy requirements for a specific mix of housing types and are there other forms of housing – such as build to rent?
- When will new infrastructure – such as schools – be provided to support the new community?
- Are there trigger points or phasing issues that may affect the build-out rate achievable in different phases?

Appendices

Contents

Appendix 1: Definitions and notes

The 'lead in'

Measures the period up to first completion of a house on site from the validation date of the first planning application made for the scheme. The lead-in time covers both the planning approval period and planning to delivery periods set out below. The lead-in time does also include the date of the first formal identification of the site as a potential housing allocation (e.g. in a LPA policy document), but consistent data on this for the sample is not available.

The 'planning period'

Measured from the validation date of the first application for the proposed development (be that an outline, full or hybrid application). The end date is the decision date of the first detailed application which permits the development of dwellings on site (this may be a full or hybrid application or the first reserved matters approval which includes details for housing). A measurement based on a detailed 'consent' was considered reasonable and proportionate milestone for 'planning' in the context of this research.

The 'planning to delivery period'

Includes the discharge of any pre-commencement and any opening up works required to deliver the site. It finishes on completion of the first dwelling.

The date of the 'first housing completion'

On site (the month and year) is used where the data is available. However, in most instances the monitoring year of the first completion is all that is available and in these cases a mid-point of the monitoring period (1st October, falling halfway between 1st April and the following 31st March) is used.

The 'annual build-out rate'

Each site is taken or inferred from a number of sources. This includes Annual Monitoring Reports (AMR's) and other planning evidence base documents produced by local authorities (see footnote 1), contacting the local planning authority monitoring officers or planners and in a handful of instances obtaining the information from housebuilders.

Due to the varying ages of the assessed sites, the implementation of some schemes was more advanced than others and, as a function of the desk-based nature of the research and the age of some of the sites assessed, there have been some data limitations, which means there is not a complete data set for every assessed site. For example, lead-in time information prior to submission of planning applications is not available for the vast majority of sites. And because not all of the sites assessed have commenced housing delivery, build-out rate information is not universal. The results are presented accordingly.

Appendix 2: Large sites tables

Site name	Local Planning Authority	Site size	Year of first housing completion	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
				Dwellings per annum																					
Ebbsfleet	Gravesham/ Dartford	15,000	2009/10	127	79	55	50	44	40	60	141	312													
The Hamptons	Peterborough	6,320	1997/98	290.3	290.3	290.3	290.3	290.3	290.3	290.3	290.3	290.3	290.3	290.3	224	224	154	157	71	67	101	34	54	100	
Rugby Radio Station	Rugby	6,200	N/A																						
East of Kettering	Kettering	5,500	2016/17	43	93																				
Sherford	Plymouth	5,500	2016/17	7	106																				
Priors Hall	Corby	5,200	2011/12	56	21	59	87	170	155	273															
Wichelstowe	Swindon	4,500	2008/09	158	93	195	64	100	61	44	60	57													
Monkton Heathfield	Taunton Deane	4,500	2012/13	22	76	220	191	222	148																
The Wixams	Bedford	4,500	2008/09	8	190	160	138	113	109	109	44	37	47												
Cambourne	South Cambridgeshire	4,343	1999/2000	42	361	213	337	620	151	377	267	219	190	162	206	154	151	129	239	201	95	126			
Eastern Expansion Area (Broughton Gate & Brooklands)	Milton Keynes	4,000	2008/09	154	359	371	114	473	138																
Locking Parklands	North Somerset	3,700	2011/12	23	45	97	75	10	21	86															
Stanton Cross	Wellingborough	3,650	N/A																						
Beaulieu Park	Chelmsford	3,600	2015/16	40	110	262																			
Northampton North SUE	Daventry	3,500	2017/18	50																					
Great Western Park	South Oxfordshire	3,300	2011/12	110	204	232	392	237	274	78															
Oakley Vale	Corby	3,100	2001/02	35	89	289	258	346	487	520	233	174	159	107	96	103	51	40	9	70					
Kings Hill	Tonbridge and Malling	3,024	1996/97	140	140	140	140	140	126	219	104	237	166	281	300	224	93	55	90	84	108	91	74	41	31
North West Cam-bridge	Cambridge and South Cambridgeshire	3,000	2016/17	73																					
West of Waterloo	Havant and Win-chester	3,000	2009/10	38	71	30	82	112	135	196	241														
Cranbrook	East Devon	2,900	2012/13	187	419	356	299	214	241																
West of Kempston	Bedford	2,760	2010/11	52	102	144	167	124	175	103	93														
South of the M4	Wokingham	2,605	2012/13	37	175	56	29	166	419																
Winterstoke Village	North Somerset	2,550	2014/15	132	185	242	161																		
Emersons Green East	South Gloucestershire	2,550	2014/15	274	197	318	280																		

Site name	Local Planning Authority	Site size	Year of first housing completion	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
				Dwellings per annum																					
Land East Icknield Way	Test Valley	2,500	2009/10	184	257	103	181	135	229	146	184														
South Wokingham	Wokingham	2,490	2013/14	6	104	120	135	118																	
North Wokingham	Wokingham	2,391	2010/11	28	99	23	0	95	112	66	154														
Broadlands	Bridgend	2,309	1999/2000	288	331	307	193	204	156	64	104	91	28	81	50	147	11								
Western Riverside	Bath and North East Somerset	2,281	2011/12	59	147	93	61	163	154	45															
Arborfield Garrison	Wokingham	2,225	2016/17	57	114																				
Charlton Hayes, Northfield	South Gloucestershire	2,200	2010/11	83	87	163	333	281	193	301	168														
Clay Farm/ Showground Site (Great Kneighton)	Cambridge	2,169	2012/13	16	265	399	153	467																	
Chapelford Urban Village	Warrington	2,144	2004/05	211	214	166	262	224	141	180	183	247	60	160	66	30									
Ledsham Garden Village	Cheshire West and Chester	2,000	2016/17	41	90																				
Graven Hill	Cherwell	1,900	2016/17	1	28																				
Elvetham Heath	Hart	1,869	2000/01	192	300	297	307	287	238	103	139	6													
Hunts Grove	Stroud	1,750	2010/11	2	87	106	80	58	7	2	22														
Dickens Heath	Solihull	1,672	1997/98	2	179	196	191	207	88	124	64	249	174	16	96	110	4	0	0	13	10	26	12	96	
Red Lodge	Forest Heath	1,667	2004/05	65	93	181	79	57	79	61	101	213	101	78	23	75	111								
South West Bicester (Phase I Kingsmere)	Cherwell	1,631	2011/12	40	107	133	179	210	231	196															
Centenary Quay	Southampton	1,620	2011/12	102	58	103	137	257	8																
Northumberland Park	North Tyneside	1,513	2003/04	54	194	171	93	179	100	69	117	96	53	82	64	86									
Parc Derwen	Bridgend	1,500	2010/11	8	103	134	201	199	197	157	186														
Jennet's Park	Bracknell Forest	1,500	2007/08	153	154	145	168	136	179	235	93	37	0	28											
Melton Road	Rushcliffe	1,500	2016/17	40	126																				
Great Denham	Bedford	1,450	data only avalibale from 2009/10	92	150	159	71	122	150	125	211	168													
Love's Farm, St Neots	Huntingdonshire	1,438	2007/08	34	186	336	302	216	60	108	59	85													
South Maldon Garden Suburb	Malden	1,428	2017/18	1																					

Site name	Local Planning Authority	Site size	Year of first housing completion	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
				Dwellings per annum																					
Bolnore Village	Mid Sussex	1,358	2012/13	30	54	88	73	36	124																
Park Prewett Hospital	Basingstoke and Deane	1,341	1998/99	58	82	37	102	0	0	0	0	0	307	214	219	146	33	34	56	7	30	16			
Ashford Barracks (Repton Park)	Ashford	1,300	2005/06	83	0	124	14	64	58	155	103	49	70	67	138	90									
Oxley Park (East & West)	Milton Keynes	1,300	2004/05	52	166	295	202	115	91	75	163														
Kempshott Park	Basingstoke and Deane	1,252	2000/01	78	310	229	213	281	84	33	24														
Holborough Quarry	Tonbridge and Malling	1,211	2006/07	85	137	91	47	18	100	59	12	43	64	60	101										
Staynor Hall	Selby	1,200	2005/06	12	141	115	10	43	62	46	59	79	162	79	34	50									
Picket Twenty	Test Valley	1,200	2011/12	147	178	180	176	164	145	175															
Trumpington Meadows	Cambridge and South Cambridgeshire	1,200	2012/13	141	143	67	100	94																	
Broughton (Broughton & Atterbury)	Milton Keynes	1,200	2003/04	114	105	170	409	204	180	18															
Orchard Park	Cambridge	1,120	2006/07	100	290	148	103	95	56	34	15	75	39	30	2										
Velmead Farm	Hart	1,112	1989/90	1	104	193	89	101	52	101	113	130	74	102	48	4									
Cheeseman's Green (Finberry)	Ashford	1,100	2014/15	59	47	102	157																		
Zones 3 to 6, Omega South	Warrington	1,100	2017/18	15																					
Boulton moor	South Derbyshire	1,058	2014/15	22	96	96	116																		
Highfields Farm	South Derbyshire	1,056	2016/17	141	204																				
Monksmoor Farm	Daventry	1,000	2013/14	6	65	98	128	122																	
Northampton North of Whitehills SUE	Daventry	1,000	2016/17	108	100																				
Taylors Farm/Sherfield Park	Basingstoke and Deane	991	2004/05	56	79	81	86	88	51	143	141	88	91	75	0	12									
Queen Elizabeth II Barracks	Hart	972	2012/13	56	165	110	228	213	96																
Little Staniton	Corby	970	2009/10	106	116	74	121	102	93	89	86	26													
North of Popley	Basingstoke and Deane	951	2007/08	65	57	16	28	0	0	15	118	84	60												
Ingress Park	Dartford	950	2002/03	184		275	100	74	0	119	0	0													
Nar Ouse Millenium Commuity	Kings Lynn and West Norfolk	900	2007/08	32	77	0	0	0	0	30	22.5	22.5	68	0											
West Park	Darlington	893	2004/05	60	104	98	66	69	19	35	10	16	51	35	28	14	42								
South Bradwell	Great Yarmouth	850	2015/16	60.3	60.3	60.3																			

Site name	Local Planning Authority	Site size	Year of first housing completion	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
				Dwellings per annum																					
Prospect Place	Cardiff	826	2007/08	185	48	0	0	0	0	0	76	170													
Abbotswood	Test Valley	800	2011/12	30	190	157	114	152	90	20															
Dowds Farm	Eastleigh	795	2006/07	54	189	187	44	102	47	66	76		30												
Land at Popley Fields/ Marnell Park	Basingstoke and Deane	751	2006/07	105	172	118	186	126	44																
Hungate	York	720	2009/10	90	52	11	9	7			187	8													
Northside	Gateshead	718	1999/2000	46.8	46.8	46.8	46.8	46.8	56	46.8	46.8	46.8	46.8	46.8	16	30	31	33	25	43					
Land at West Blyth	Northumbeland	705	2008/09	6.25	6.25	6.25	6.25	32	66	51	127	78	90												
Rowner Renewal Project	Gosport	700	2010/11	4	100	70	45	89	101	79	97														
Channels - North Chelmsford	Chelmsford	700	2015/16	31	172	110																			
The Parks, formally Staff College	Bracknell Forest	697	2006/07	-94	104	88	101	54	47	72	59	94	78												
Staiths South Bank	Gateshead	667	2003/04	24	58		44		48																
Land south of Wansbeck General Hospital	Northumberland	644	2005/06	18.7	18.7	18.7	18.7	18.7	18.7	18.7	17	24	37	60	57	54									
Former Pontins Holiday Camp	Lancaster	626	2006/07	16	22	4	5																		
Ochre Yards	Gateshead	606	2004/05	83	68.2	68.2	68.2	68.2	68.2			46	4	52	2										
Former Runwell Hospital	Chelmsford	575	2016/17	91	90																				
Land adjoining Manchester Ship Canal	Trafford	550	N/A																						
Pamona Docks	Trafford	546	N/A																						
Thingwall Lane	Knowlsey	525	2013/14	79																					
St. James Village	Gateshead	518	2000/01	41.4	41.4	41.4	41.4	41.4	41.4	41.4	41.4	41.4	41.4	14	13	18	15								
University Campus Chelmsford	Chelmsford	507	2014/15	216	3																				
Land at Siston Hill	South Gloucestershire	504	2006/07	77	211	96	63	57																	
Land West of Copthorne	Mid Sussex	500	N/A																						

Sources for sites also found in the Letwin Review

Arborfield Green (Arborfield Garrison)		Five Year Housing Land Supply Statement and appendix on Strategic Development Locations at 31st March 2018 published 9th October 2018 http://www.wokingham.gov.uk/planning-policy/planning-policy-information/evidence-topics/
Ledsham Garden Village		Various Housing Land Monitor Reports https://consult.cheshirewestandchester.gov.uk/portal/cwc_ldf/mon/
Great Kneighton (Clay Farm)		Partly provided by Cambridgeshire County Council and included in numerous AMR's https://www.cambridge.gov.uk/annual-monitoring-reports
Trumpington Meadows		Included in numerous AMR's for Cambridge and South Cambridgeshire (site crosses boundaries) https://www.cambridge.gov.uk/annual-monitoring-reports and https://www.scambs.gov.uk/planning/local-plan-and-neighbourhood-planning/annual-monitoring-report/
Graven Hill		Various Annual monitoring reports https://www.cherwell.gov.uk/info/33/planning-policy/370/monitoring-reports
South West Bicester (Kingsmere Phase 1)		Various Annual monitoring reports https://www.cherwell.gov.uk/info/33/planning-policy/370/monitoring-reports
Great Western Park		Housing Land Supply Statement April 2018 http://www.southoxon.gov.uk/sites/default/files/30.04.2018%20Housing%20Land%20Supply%20Statement%20FINAL%20(2)%20combined.pdf
Ebbsfleet:		First phase at Springhead Park and Northfleet South from Gravesham AMR's 2009/10 to 2012/13
	2009-10:	127 completions https://www.gravesham.gov.uk/__data/assets/pdf_file/0010/69823/AMR2010.pdf
	2010-11:	79 completions https://www.gravesham.gov.uk/__data/assets/pdf_file/0010/69814/AMR2011.pdf
	2011-12:	55 completions https://www.gravesham.gov.uk/__data/assets/pdf_file/0009/92448/Gravesham-Authority-Monitoring-Report-2011-12-May-2013.pdf
	2012-13:	50 completions https://www.gravesham.gov.uk/__data/assets/pdf_file/0010/92449/Gravesham-Authority-Monitoring-Report-2012-13-interim-May-2013.pdf
	2013/14:	87 dwellings, based on total completions form Gravesham to 2012/13 of 311 and total completions to the start of 2014/15 in the Ebbsfleet Garden City Latest Starts and Completion Figures totalling 398.
	2014/15 to 2017/18:	Ebbsfleet Garden City Latest Starts and Completion Figures: https://ebbsfleetdc.org.uk/tracking-our-performance/

Appendix 3:
Small sites tables

Site Name	Local Planning Authority	Size
Cookridge Hospital	Leeds	495
Stenson Fields	South Derbyshire	487
Horfield Estate Phase I	Bristol City Council	485
Farnborough Business Park	Rushmoor	476
Bickershaw Colliery	Wigan	471
Farington Park, east of Wheelton Lane	South Ribble	468
Bleach Green	Gateshead	456
Kingsmead South	Milton Keynes Council	450
New Central	Woking Borough Council	445
Land at former Battle Hospital	Reading Borough Council	434
New World House	Warrington	426
Radyr Sidings	Cardiff	421
Luneside West	Lancaster	403
Woolley Edge Park	Wakefield	375
Former Masons Cerement Works and Adjoining Ministry of Defence Land	Mid Suffolk	365
Former NCB Workshops (Portland Park)	Northumberland	357
Chatham Street Car Park Complex	Reading	307
Kennet Island Phase I - H, M, T, UI, U2	Reading	303
Land at Dorian Road	Bristol, City of	300
Land at Fire Service College, London Road	Cotswold	299
Land at Badsey Road	Wychavon	298
Land at Brookwood Farm	Woking	297
Long Marston Storage Depot Phase I	Stratford-on-Avon	284
M & G Sports Ground, Golden Yolk and Middle Farm	Tewkesbury	273
Land at Canons Marsh	Bristol, City of	272
Land off Henthorn Road	Ribble Valley	270
Land Between A4I9 And A4I7	Cotswold	270
Hortham Hospital	South Gloucestershire	270

Site Name	Local Planning Authority	Size
GCHQ Oakley - Phase I	Cheltenham	262
Hewlett Packard (Land Adjacent To Romney House)	Bristol, City of	242
I28-I34 Bridge Road And Nos I - 4 Oldfield Road	Windsor and Maidenhead	242
Hoval Ltd North Gate	Newark and Sherwood	I96
Notcutts Nursery, I50 - I52 London Road	Cherwell	I82
Sellars Farm	Stroud	I76
Land South of Inervet Campus Off Brickhill Street, Walton, Milton Keynes	Milton Keynes	I76
Queen Mary School	Fylde	I69
London Road/ Adj. St Francis Close	East Hertfordshire	I49
Land off Gallamore Lane	West Lindsey	I49
Doxey Road	Stafford	I45
Former York Trailers (two schemes - one Barratt, one DWH)	Hambleton	I45
Bracken Park, Land At Corringham Road	West Lindsey	I4I
Land at Farnham Hospital	Waverley	I34
North of Douglas Road	South Gloucestershire	I3I
Land to the east of Efflinch Lane	East Staffordshire	I30
Land to the rear of Mount Pleasant	Cheshire West and Chester	I27
Primrose Mill Site	Ribble Valley	I26
Kennet Island Phase IB - E, F, O & Q	Reading	I25
Land between Godsey Lane and Towngate East	South Kesteven	I20
Bibby Scientific Ltd	Stafford	I20
Land west of Birchwood Road	Bristol, City of	II9
Former Bewbush Leisure Centre Site	Crawley	II2
Land south of Station Road	East Hertfordshire	III
Poppy Meadow	Stratford-on-Avon	I06
Weeton Road/Fleetwood Road	Fylde	I06
Former York Trailers (two schemes - one Barratt, one DWH)	Hambleton	96
North East Sandylands	South Lakeland	94

Site Name	Local Planning Authority	Size
Auction Mart	South Lakeland	94
Parcel 4 Gloucester Business Park	Tewkesbury	94
York Road	Hambleton	93
Land At Green Road - Reading College	Reading	93
Caistor Road	West Lindsey	89
The Kylins	Northumberland	88
North East Area Professional Centre, Furnace Drive	Crawley	76
Land at Willoughbys Bank	Northumberland	76
Watermead, Land At Kennel Lane	Tewkesbury	72
Land to the North of Walk Mill Drive	Wychavon	7I
Hawthorn Croft (Off Hawthorn Avenue Old Slaughterhouse Site)	West Lindsey	69
Land off Crown Lane	Wychavon	68
Former Wensleydale School	Northumberland	68
Land at Lintham Drive	South Gloucestershire	68
Springfield Road	South Kesteven	67
Land off Cirencester Rd	Stroud	66
Land south of Pinchington Lane	West Berkshire	64
Land at Prudhoe Hospital	Northumberland	60
Oxfordshire County Council Highways Depot	Cherwell	60
Clewborough House School	Cherwell	60
Land at the Beacon, Tilford Road	Waverley	59
Land to Rear Of 28 - 34 Bedale Road	Hambleton	59
Hanwell Fields Development	Cherwell	59
Fenton Grange	Northumberland	54
Former Downend Lower School	South Gloucestershire	52
Holme Farm, Carleton Road	Wakefield	50
Land off Elizabeth Close	West Lindsey	50

The Lichfields perspective

What makes us different? We're not just independent but independent-minded. We're always prepared to take a view. But we always do that for the right reasons – we want to help our clients make the best possible decisions.

We have an energetic entrepreneurial culture that means we can respond quickly and intelligently to change, and our distinctive collaborative approach brings together all the different disciplines to work faster, smarter, and harder on our clients' behalf.

Sharing our knowledge

We are a leading voice in the development industry, and no-one is better connected across the sector. We work closely with government and leading business and property organisations, sharing our knowledge and helping to shape policy for the future.

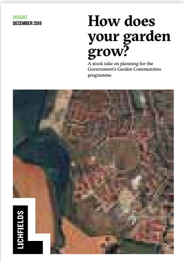
Publishing market intelligence

We are at the forefront of market analysis and we track government policy and legislation so we can give fresh insight to our clients. Our Think Tank is a catalyst for industry-leading thinking on planning and development.

Read more

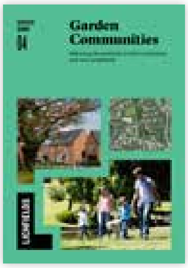
You can read more of our research and insight at **lichfields.uk**

Our bespoke products, services and insights



How does your garden grow?

A stock take on planning for the Government's Garden Communities programme



Garden Communities

Unlocking the potential of new settlements and urban extensions

Headroom

Objective assessments of local housing needs

Sizemix

Securing the right mix in residential development proposals

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