

# Corporate Responsibility

2015/2016



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# Vision



Bellway

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# Introduction

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This web report sets out our approach to Corporate Responsibility (CR). As one of the UK's largest house builders, we have a role to play in addressing the growing national housing shortage. We believe we can fulfil this role whilst at the same time operating our business in a socially responsible, ethical and sustainable way. Over the following pages you will read about the CR issues we view as important within our business and how we go about addressing them in a way that isn't just beneficial for the environment and wider society, but one which also makes commercial sense.

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## 1. Vision

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As one of the UK's largest house builders, our aim is to provide high quality new homes in desirable surroundings which have been constructed in a socially responsible manner. A sustainable approach to construction isn't just beneficial for the environment; it makes commercial sense and brings benefits to our shareholders, customers, employees and the local community.

Our long term approach to Corporate Responsibility (CR), branded as Bellway4Good, considers the interests of our diverse stakeholder groups to ensure we make positive social, environmental and economic contributions across our business.

Our Bellway4Good vision focuses on three principal areas of importance to our business - Environment; Construction; Society and Economy. These three key areas encompass various 'themes' against which we set annual targets to monitor our on-going performance.

- 1. Environment: carbon emissions; energy; waste; water usage; biodiversity; ecology.**
- 2. Construction: research and development; waste management; planning; supply chain management; site management.**
- 3. Society and economy: employee development; health and safety; economic development; stakeholder engagement; customer care; charitable and community support.**

Bellway4Good is our commitment to ensure that we operate our business in a responsible manner and is reflected through our actions and within our comprehensive suite of corporate policies, processes and procedures.

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## 1.1 Chief Executive's Statement

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We have enjoyed yet another successful and record year in 2016, increasing the number of new homes sold by almost 13% to 8,721 and opening two further new divisions - South Midlands, located in Bristol, in February 2016 and Durham, located in Darlington, in August 2016.

As we continue to grow so does our workforce and we increased the average number of people employed by 9% to 2,366. When added to those sub-contractors and supply chain partners we engage indirectly, this clearly demonstrates the positive contribution our increased building activity makes to the local and national economy and I would like to extend my thanks to all those who have worked for and with Bellway for their skill, hard work and dedication.

Identifying, recruiting and retaining experienced high calibre people continues to be a key activity for Bellway and we recognise our responsibility to develop the next generations of skilled workers. We have increased the number of apprentices and graduates within Bellway by 14% and continue to develop and invest in our existing people, increasing training hours by 36% and providing NVQ training for Site Managers and Assistant Site Managers. As part of this focus on developing our people, we have appointed a new Group Human Resources Director and a Learning and Development Manager.

As one of the UK's largest house builders, our aim is to provide high quality new homes to match the aspirations of our customers. We strive to ensure that our highly skilled workforce build every home to a high standard and this focus has seen 43 of our Site Managers win National House Building Council 'Pride in the Job' awards this year, a 30% increase on last year. Our customers are clearly seeing the benefits of this, with our overall customer care score increasing to 85.7%.

We continue to measure our CR performance through our Bellway4Good Steering Committee, focussing efforts on the core areas that most concern both the Group and our stakeholders. During the past year we have made significant progress against a range of targets, including:

- Increasing the percentage of construction compounds fitted with energy saving devices to 84.3% (2015 - 51.9%).
- Improving our waste diversion rate to 95.9% (2015 - 92.9%).
- Achieving an improved National House Building Council safety score of 0.776 (2015 - 0.936).
- Increasing the minimum employer matched pension contribution rate to 4%.
- Donating £159,228 to our national charity partners.

We remain committed to improving our environmental credentials, listening to and meeting the needs of various stakeholder groups and improving the sustainability of our homes. If you have any comments about our approach to CR we would welcome your feedback.

### **Ted Ayres**

Chief Executive

[Bellway4Good@bellway.co.uk](mailto:bellway4good@bellway.co.uk)

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## 1.2 Bellway4Good Objectives

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At Bellway, CR is part of how we conduct business. We define it as our approach to achieving business goals in an ethical manner, benefiting the people we work with, the environments we work in, the communities we develop and the stakeholders we serve.

So that we continually improve standards, our Bellway4Good Steering Committee aims to ensure that:

- Our developments create sustainable new communities
- Environments in which we operate are enhanced
- We develop our employees through education and training
- Social, economic and environmental risks are identified and mitigated
- Sustainable practices are developed and promoted

In **2015/16** we set ourselves a range of CR Targets aligned to these aims and our performance over the past 12 months is set out in this report (pages 7-9).

For **2016/17** we have continued to develop our Bellway4Good strategy and a new set of targets have been set for the current year. These are also set out in this report (pages 10-11).

## 1.2.1 Performance against 2015/16 CR Targets








### 2015/16 TARGETS

#### Environment








Energy	<p><b>We will aim to ensure that 100% of new and hired-in construction compounds will include at least 2 energy saving devices, bringing the percentage of all compounds with energy saving devices fitted to at least 60%.</b></p> <ul style="list-style-type: none"> <li>By the end of 2015/16, 84.3% of our compounds were fitted with energy saving devices (2014/15 - 52%).</li> </ul>	
Energy	<p><b>We will seek to design new sites to achieve an average energy efficiency of at least 5% better than the applicable building regulations standard.</b></p> <ul style="list-style-type: none"> <li>We achieved an average efficiency rate of 5.67% better than the applicable building regulations standard.</li> </ul>	
Energy	<p><b>We will aim to undertake energy audits at a minimum of 2 divisional offices to identify energy saving opportunities that can be implemented across our office estate.</b></p> <ul style="list-style-type: none"> <li>Audits were undertaken and relevant findings have been taken forward for implementation.</li> </ul>	
Domestic Waste	<p><b>We will aim to provide information on local recycling centres in customers' home handover folders, helping them to divert an increasing proportion of their household waste from landfill.</b></p> <ul style="list-style-type: none"> <li>Information on local recycling centres is now included in each handover folder.</li> </ul>	
Sustainable Transport	<p><b>We will aim to include sustainable travel information in customers' home handover folders, allowing them to make informed decisions regarding their transport choices.</b></p> <ul style="list-style-type: none"> <li>Sustainable travel information is now included in each handover folder.</li> </ul>	

## 1.2.1 Performance against 2015/16 CR Targets

2015/16 TARGETS		
Construction		
Construction Waste Management	<p><b>We will aim to introduce a maximum of 3 waste management contractors across all divisions to improve waste management data and diversion rates, with 100% compliance achieved by 2018.</b></p> <ul style="list-style-type: none"> <li>• Work is continuing on this project and the target has been rolled over into 2016/17.</li> </ul>	
Construction Waste	<p><b>We will aim to increase the proportion of waste diverted from landfill on construction sites from the existing 92.9% level.</b></p> <ul style="list-style-type: none"> <li>• Diversion rates increased to 95.9% for the 2015/16 year.</li> </ul>	
Construction Site Management	<p><b>We will aim to review 20% of development sites to influence standard compound configuration &amp; design with a view to reducing material wastage rates.</b></p> <ul style="list-style-type: none"> <li>• Site reviews took place and an Environmental Management Good Practice Guide has been issued to all divisions.</li> </ul>	
Planning	<p><b>We will aim to improve the community engagement process for new development applications (of 50 or more units) by publishing details of the development proposals on-line, including the ability for interested parties to leave comments / feedback for due consideration.</b></p> <ul style="list-style-type: none"> <li>• In 2015/16 36 planning applications qualified under the terms of the target, all of which had on-line public consultations with feedback facilities.</li> </ul>	
Considerate Construction	<p><b>We will aim to improve our average Considerate Construction Scheme score to at least 35.</b></p> <ul style="list-style-type: none"> <li>• Performance slipped during the year and our average score was 33.9.</li> </ul>	



## 1.2.1 Performance against 2015/16 CR Targets

2015/16 TARGETS		
Society and Economy		
Our Employees	<p><b>We offer all employees the opportunity to participate in a contributory pension scheme and will increase the company matched contribution from a minimum of 3% to 4%.</b></p> <ul style="list-style-type: none"> <li>Following consultation with employees, the minimum employer and employee pension contributions were increased from 3% to 4% - contributions rates have now doubled in the past 2 years.</li> </ul>	
Customer Engagement	<p><b>We will aim to regain our status as a 5 Star Builder, reflective of our commitment to provide high levels of customer satisfaction.</b></p> <ul style="list-style-type: none"> <li>We narrowly missed regaining our 5 star housebuilder status.</li> </ul>	
Customer Engagement	<p><b>We will aim to achieve an overall customer satisfaction score of at least 83.8%, by reference to a broad based measure comprising six performance criteria.</b></p> <ul style="list-style-type: none"> <li>Our 2015/16 score was 85.7%.</li> </ul>	
Economic Development	<p><b>We will aim to deliver at least 5% growth in the number of homes sold, helping address the UK housing shortage.</b></p> <ul style="list-style-type: none"> <li>2015/16 growth in homes sold was 12.5%.</li> </ul>	
Health and Safety	<p><b>We will aim to continue to reduce RIDDOR Reportable Accidents and Incidents per 100,000 employees compared to 2014/15.</b></p> <ul style="list-style-type: none"> <li>RIDDOR rates finished above the previous year's level for the first time in 4 years (445.19 against a target of 430.74). This was due to a high number of reportable incidents in the final month of the year.</li> </ul>	
Health and Safety	<p><b>We will aim to achieve a Group National House Building Council Health and Safety score of 0.986 or better.</b></p> <ul style="list-style-type: none"> <li>Our 2015/16 score of 0.766 was the 4th year of improvement and we again finished well below the All Builder Average of 4.721.</li> </ul>	
Charitable Giving	<p><b>We will continue to improve employee engagement on charitable activity, aiming to donate over £100,000 to our national charity partners through a combination of direct donations, employee fundraising and matched funding, while increasing our annual charitable budget in line with earnings, year on year.</b></p> <ul style="list-style-type: none"> <li>Fundraising and donations were £159,228.20 for the year, bringing the total across the 18 month partnership to £265,116.76. In total the company donated £210,000 to charities and good causes, a 44% increase on 2014/15.</li> </ul>	

## 1.2.2 2016/17 CR Targets



### Environment

Energy	We will increase the proportion of construction compounds with energy saving devices to at least 90%.
Energy	We will limit the engine size of fork lifts to 55 watts on all sites by 2019, delivering fuel and carbon savings.
Energy	We will develop a 'best practice' energy saving campaign, implement in 1 division and assess its impact prior to considering roll-out across the wider business.
Water	We will introduce metered supplies for construction water usage at 90% of new developments, building up an accurate picture of Bellway's water usage.
Carbon	We will develop quarterly carbon reporting with a view to establishing carbon reduction targets in future years.

### Construction

Construction Waste Management	We will continue work to introduce a maximum number of waste management contractors across all divisions, aiming for 100% compliance by 2018 and work to identify key waste reduction opportunities.
Construction Waste	We will maintain the proportion of waste diverted from landfill on construction sites at 95% or above.
Planning	We will pilot 'Building for Life' on a minimum of 1 site and assess the impact on planning, construction costs and development desirability over the next 3 years.
Construction R and D	We will continue to investigate new commercially available sustainable building products / techniques / materials to assess their design and build performance.
Supply Chain Management	We will continue to source 100% of timber from sustainable supplies.

## 1.2.2 2016/17 CR Targets



### Society and Economy

Customer Engagement	We will deliver high levels of customer satisfaction and aim to achieve '5 Star Builder' status for the 2016/17 year.
Health and Safety	We will deliver 'slips, trips & falls' tool box talks at 100% of sites to aid a reduction in our RIDDOR Reportable Accident and Incidents.
Employee Development	We will increase the number of training days per employee compared to 2015/16 levels.
Employee Development	We will develop a more structured and integrated programme for graduates, trainees and apprentices by 2018.
Charitable Giving	We will engage with our employees and Cancer Research UK with the aim of raising and donating over £100,000 to the charity in the 2016/17 year.

## 1.3 CR Data

BELLWAY CR PERFORMANCE INFORMATION		Financial year ended 31st July				
KPI	2012	2013	2014	2015	2016	
<b>Commercial</b>						
Total number of homes sold	5,226	5,652	6,851	7,752	<b>8,721</b>	
Number of plots with detailed planning permission	17,636	18,991	19,434	21,411	<b>24,879</b>	
<b>Environment</b>						
Scope 1 emissions <sup>(1)</sup> (tCO <sub>2</sub> e) <sup>(2)</sup>	-	-	9,335	10,634	<b>16,362</b>	
Scope 2 emissions <sup>(3)</sup> (tCO <sub>2</sub> e) <sup>(2)</sup>	-	-	3,509	4,358	<b>5,972</b>	
Total Scope 1 and 2 emissions (tCO <sub>2</sub> e) <sup>(2)</sup>	-	-	12,844	14,992	<b>22,334</b>	
tCO <sub>2</sub> e <sup>(2)</sup> per home constructed	-	-	1.9	1.9	<b>2.6</b>	
tCO <sub>2</sub> e <sup>(2)</sup> per Bellway employee	-	-	6.6	6.9	<b>9.4</b>	
Number of homes built incorporating renewable and energy saving technology	2,865	2,278	3,299	3,878	<b>3,351</b>	
Number of active sites with a Biodiversity Plan in place	36	39	59	46	<b>48</b>	
Number of homes with rainwater harvesting	260	152	988	824	<b>1,183</b>	
Number of homes with waste recycling facilities	1,613	1,897	4,085	4,566	<b>4,303</b>	
Number of sites with SuDS designed into the scheme	110	114	144	140	<b>129</b>	
Number of Trees planted	6,894	8,485	13,353	23,513	<b>18,003</b>	
Number of current sites with car clubs	9	16	15	10	<b>11</b>	
Number of homes with access to a cycle store	2,079	2,813	2,808	3,327	<b>4,091</b>	
Number of sites within 500 metres of a transport node	206	154	180	139	<b>182</b>	
<b>Construction</b>						
Percentage of homes developed on brownfield sites	69%	74%	74%	74%	<b>61%</b>	
Number of EcoHomes with 'Very Good' rating or better	464	422	129	157	<b>129</b>	
Number of homes built to Code Level 3	964	1,566	2,566	2,607	<b>2,815</b>	
Number of homes built to Code Level 4	249	244	670	991	<b>1,048</b>	
Number of homes built to Code Level 5 <sup>(4)</sup>	-	-	1	11	<b>0</b>	
Financial contributions under Section 106 Agreements and Community Infrastructure Levy	£39.4m	£44.2m	£43.5m	£79.0m	<b>£147.9m</b>	
Percentage of timber from sustainable sources	100%	100%	100%	100%	<b>100%</b>	
Waste (tonnes) per unit sold	9.08	7.69	7.32	8.61	<b>8.52</b>	
Percentage of waste diverted from landfill	82.3%	90.2%	89.3%	92.9%	<b>95.9%</b>	
<b>Society and Economy</b>						
Number of Bellway employees as at 31 July	1,599	1,771	2,043	2,298	<b>2,387</b>	
Percentage of females	35%	30%	27%	27%	<b>28%</b>	
Employee turnover <sup>(5)</sup>	14.6%	17.5%	20.8%	19.1%	<b>23.4%</b>	
Number of graduates on the training programme <sup>(6)</sup>	-	15	18	14	<b>22</b>	
Number of site managers with NVQ Level 6 <sup>(6)</sup>	-	1	106	142	<b>206</b>	
Number of apprentices directly employed by Bellway <sup>(6)</sup>	-	25	44	59	<b>61</b>	
Number of NHBC 'Pride In The Job' awards received	23	27	29	33	<b>43</b>	
Number of reportable RIDDOR major injuries per year <sup>(7)</sup>	-	22	24	26	<b>32</b>	
Reportable incident rate per 100,000 employees <sup>(7)</sup>	-	486.51	447.09	430.75	<b>445.19</b>	
Number of site workers (including sub-contractors) accredited with CSCS cards (or equivalent)	3,230	3,442	4,089	4,728	<b>5,582</b>	
Number of health and safety prosecutions	0	0	1	1	<b>0</b>	
Number of homes sold to Registered Providers	868	958	1,042	1,574	<b>1,376</b>	
Number of sites registered with the Considerate Constructors Scheme	128	126	136	138	<b>136</b>	
Average score in Considerate Constructors Scheme	31.8	32.3	33.2	34.8	<b>33.9</b>	
Number of homes built to Lifetime Homes standards	798	818	1,901	2,117	<b>2,130</b>	
Charitable donations	£45,875	£77,699	£97,637	£146,010	<b>£210,000</b>	
Employee charitable fundraising <sup>(8)</sup>	-	-	-	£37,530	<b>£74,704</b>	
Number of units built to Secured by Design principles	1,614	1,897	3,176	3,575	<b>4,414</b>	
HBF 5 Star rating	5	5	5	4	<b>4</b>	

(1) Fuel and gas, including petrol and diesel used on-site and in company vehicles on company business

(2) Tonnes of carbon dioxide equivalents

(3) Purchased electricity

(4) 2014 was the first year of reporting

(5) Including redundancies

(6) 2013 was the first year of the programme

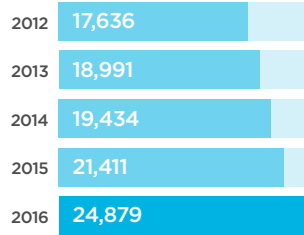
(7) Including sub-contractors. Only 4 years of data due to the Regulation change whereby injuries did not become 'reportable' until they were a 7 day absence

(8) 2015 was the first year of reporting

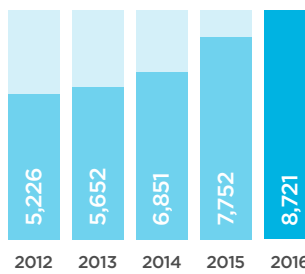
# 1.4 CR Performance at a Glance

## Commercial

NUMBER OF OWNED AND CONTROLLED PLOTS WITH IMPLEMENTABLE DPP (DETAILED PLANNING PERMISSION)

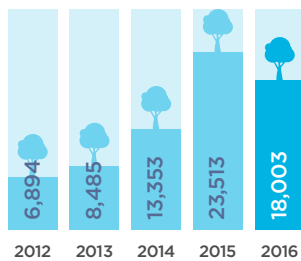


NUMBER OF HOMES SOLD

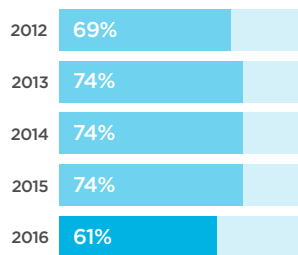


## Environmental

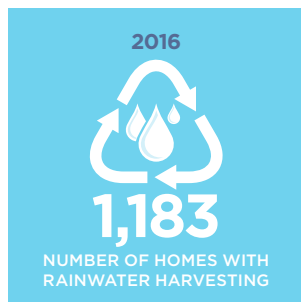
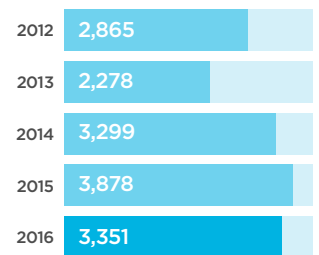
NUMBER OF TREES PLANTED



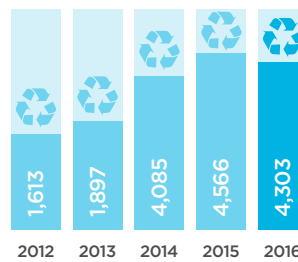
PERCENTAGE HOMES DEVELOPED ON BROWNFIELD SITES



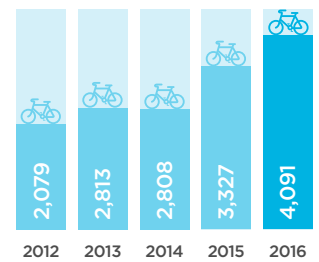
NUMBER OF HOMES WITH ENERGY SAVING / RENEWABLE TECHNOLOGY



NUMBER OF HOMES WITH WASTE RECYCLING FACILITIES

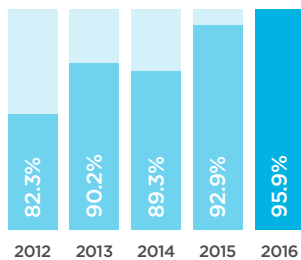


NUMBER OF HOMES WITH CYCLE STORES

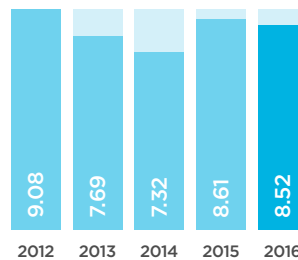


## Construction

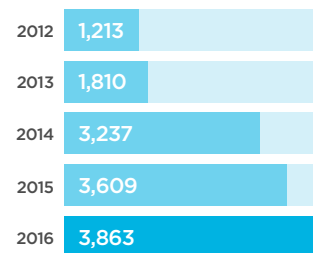
PERCENTAGE OF WASTE DIVERTED FROM LANDFILL



TONNES OF CONSTRUCTION WASTE PER HOME SOLD

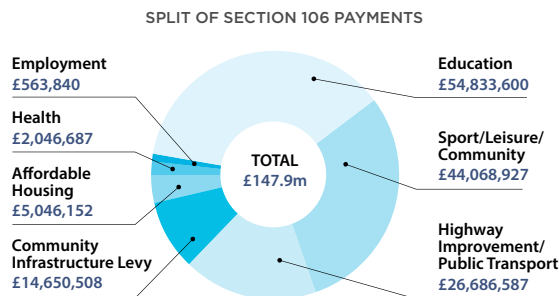
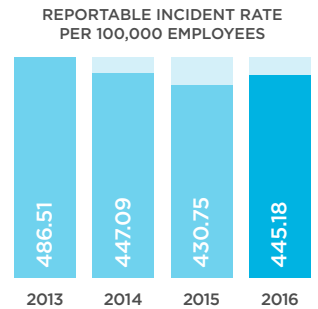
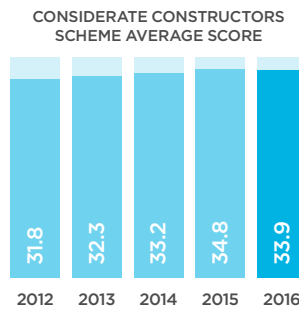
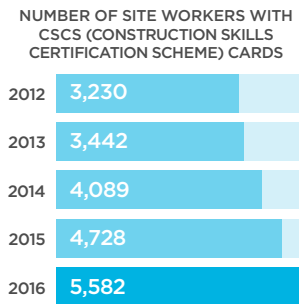
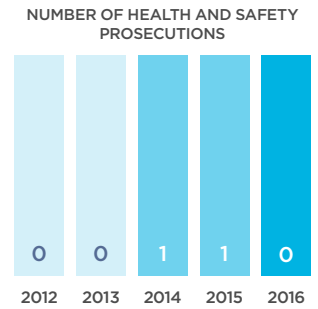
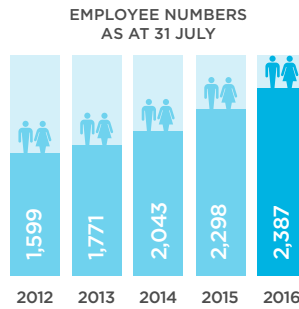
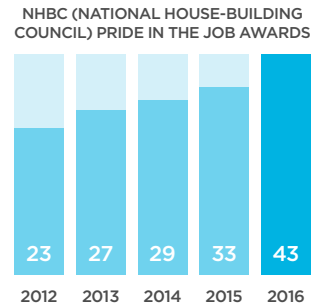
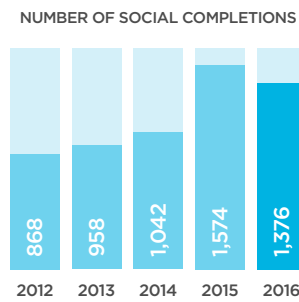
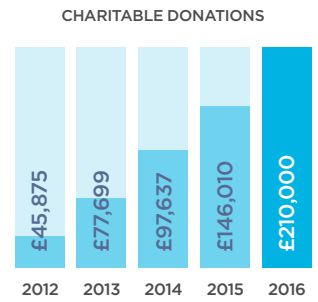
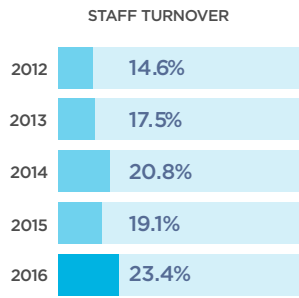
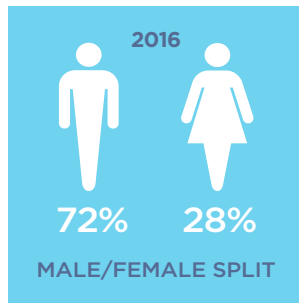


NUMBER OF HOMES ACHIEVING CF5H (CODE FOR SUSTAINABLE HOMES)



# 1.4 CR Performance at a Glance

## Society and Economy



# 2

# Strategy and Governance



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# Strategy and Governance

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While the Chief Executive is ultimately responsible for maintaining our overarching Corporate Responsibility programme, CR is managed at a strategic level through a Bellway4Good Steering Committee. Convened on a quarterly basis by the Group Finance Director, functional heads meet to assess progress against targets and objectives, review principle CR KPIs and discuss new initiatives to further embed CR within the business.

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## 2.1 CR Strategy

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Bellway has been building homes for the past 70 years and has grown from a small family business, based in Newcastle upon Tyne, to one of the largest volume house builders in the UK. Directly employing over 2,300 people, with thousands more working with Bellway as sub-contractors and with our supply chain partners, we have developed an in-depth understanding of the risks and opportunities that the construction industry creates.

Our detailed experience and knowledge gained over the past 70 years allows us to adapt to an ever changing construction environment, including:

- Existing and future building regulations and standards
- Skills shortages and an aging workforce
- Scarcity of raw materials
- Pressure on land availability
- Energy costs
- Climate change

### **Our CR Commitments**

The Bellway4Good Steering Committee established a number of targets to be achieved in the 2015/16 financial year and our performance against these can be viewed in this report (pages 7-9).

For the coming 2016/17 financial year we have again set a range of CR targets, broken down into our three key areas (pages 10-11):

- Environment
- Construction
- Society and Economy

We continue to develop internal policies and procedures to support our Bellway4Good activities and are continuing to identify CR opportunities and risks to help shape our approach.



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## 2.1 CR Strategy

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### CR Steering Committee

Our Bellway4Good Steering Committee meets quarterly to assess performance, to allocate resources and to provide feedback to stakeholders where required. The long term ambitions of the Steering Committee remain:

- To mitigate the potential negative impact our business has on the wider environment;
- To encourage a positive internal culture of engagement, innovation and pride in our workforce through increased interaction with employees;
- To encourage the alignment of business needs with responsible and ethical practices;
- To encourage engagement with a wide group of stakeholders;
- To realise commercial benefits from CR initiatives.

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## 2.2 Stakeholder Engagement

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The nature of our business brings Bellway close to a range of different stakeholder groups. In managing our activities we aim to be responsive to the diverse views and requirements expressed by these groups and we recognise that effective engagement with our stakeholders is an important element of our CR programme. Using established communication channels such as public consultation exercises and our web site, we are able to work closely with local communities to better balance their needs with the demands of our business.

### Customers

Our highly trained and dedicated team of Sales Advisors engage and communicate with customers from the first meeting, through the home reservation stage and on to the final legal completion and beyond. They are always available to help ensure that the whole home buying process runs as smoothly as possible. Following legal completion, our [Customer Charter](#) sets out the process of engagement with our customers to ensure that the after-sales experience continues to be a positive one.

### Employees

We ensure that our colleagues are well informed and have the knowledge they need to operate successfully in the best interests of Bellway, our customers and stakeholders. Our employees receive regular communications in relations to changes to policies, procedures, services and advice. This year we appointed a new Group Human Resources Director with the remit to further develop the Group's people strategy, initially focussing on attraction, development and retention of talent across the business. A Group Learning and Development Manager has also been appointed.

### Investors

Our senior management meets with shareholders at least bi-annually to discuss interim and full year financial results, answer questions and discuss future actions. We also offer shareholders a discount on the purchase of a new Bellway home.

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## 2.2 Stakeholder Engagement

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### Suppliers/Contractors

We regularly hold meetings and communicate with our suppliers and contractors, passing on the relevant information to each division as appropriate. Where there is new product information, this is communicated in a timely manner to each division.

### Local Communities

Prior to the submission of a planning application we undertake rigorous consultation with the local communities. This involves informing communities about the proposed development, attending public meetings and exhibitions, and listening to and acting on feedback. This process allows us to ensure the views of the local community and neighbouring landowners are taken into account as far as is reasonable and practicable.

### Affordable Housing Providers

Effective partnership with a range of public bodies and agencies is central to the success of Bellway's business. We value the opportunities which partnerships bring and the benefits these relationships deliver to the communities we build in.

We have long established relationships with Housing Association (HA) partners across the country ranging from large national and regional landlords to small rural providers. Together we work to build communities and improve the affordability of housing for local people.

Our engagement with HAs ranges from joint ventures and strategic partnerships to the on-going delivery of affordable housing on most of our developments. These relationships are maintained across the Group through regular meetings at national, regional and local levels.

### Government and Regulators

We maintain national and regional representation with the Homes and Community Agency (HCA), working closely on their public land and housing investment agendas. Bellway is a significant partner in the Government's Help to Buy Programme and, through our presence on national forums, contributes to the efficient delivery of this major policy initiative.

The importance of public land disposal to housing delivery is well recognised and Bellway is closely involved as an active participant in the HCA's Delivery Partner Panel (DPP2). We have national coverage through representation in all four regional frameworks and the London Development Panel.

Regional and local government policy has a significant influence on the operation of our business and Bellway seeks to work collaboratively with local authorities and key statutory bodies, ensuring that developments are brought forward efficiently and with regard to local needs. In London we work closely with the Greater London Authority and London Boroughs and engage at a senior level with both the Welsh Assembly and the Scottish Parliament, working closely on their respective 'Help to Buy' programmes.

Bellway also engages at a strategic level with senior officials within the Department of Communities and Local Government (DCLG), the treasury and the cabinet office to address the pressing issues of accelerating housing delivery, widening home ownership opportunity and the regeneration of communities.

## 2.3 CR Governance

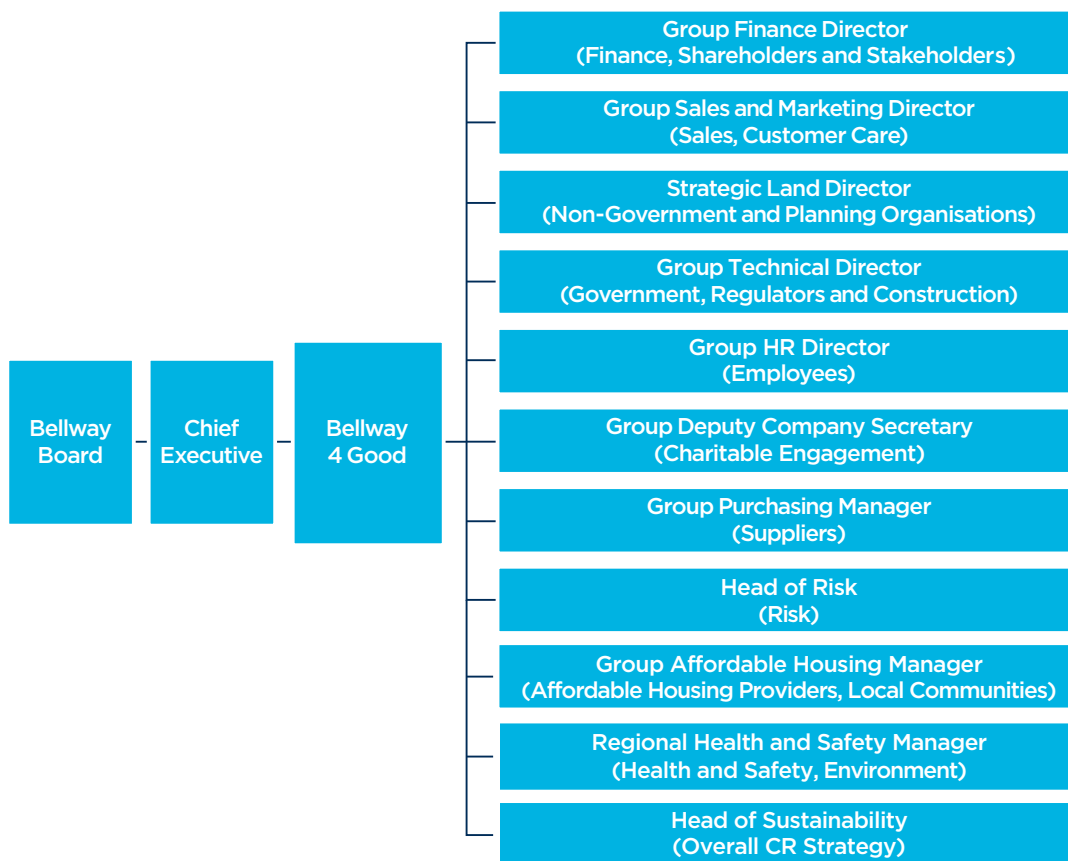


Whilst overall responsibility for CR lies with the Group Chief Executive, the Bellway4Good Steering Committee is responsible for strategic management of our CR approach. Chaired by the Head of Sustainability, the Steering Committee comprises a cross-section of individuals drawn from various functions within the business.

This allows the Steering Committee to draw on a breadth of experience and knowledge from specialists at both managerial and directorial level, and having various areas of the business represented ensures that we are well placed to consider and balance the effect of CR on our extensive range of stakeholder groups.

Steering Committee members are now responsible for the delivery of specific CR targets and goals, reporting progress on a quarterly basis as well as identifying improvement opportunities in their areas of responsibility and in the wider business.

### 2.3.1 Bellway4Good Steering Committee Structure



## 2.4 CR Risk Management



Risk is a natural part of any business and its management is a key activity for the Group. We have a long established and effective framework for managing risks. It is the responsibility of management to implement the Board's policies on risk and internal control. Our risk management objectives, along with the current principal risks are set out in the Annual Report and Accounts.

Management maintain a comprehensive risk assessment register with all identified risks. The risk management processes have been set up in such a way so as to ensure all aspects of the business are considered, from strategy through to business execution.

The risk register is reviewed on a regular basis as part of the management reporting process, resulting in the regular assessment of each risk, its severity and all required actions. Derived from the comprehensive register is a shorter register of principal risks, specifically reserved for review by the Board. This is mainly, but not exclusively comprised of risks, after mitigation, which score above a certain threshold. This register is reviewed by the Board throughout the year, with the Board systematically considering the risks, taking into account any changes which may have occurred. Once a year, via the Audit Committee, the Board determines whether the system of risk management is operating effectively.

CR is considered during our regular risk management activities and consequently CR risks are integrated into the overall risk register. The principal CR risks faced by the business are highlighted below. These are reviewed on an annual basis by the Bellway4Good Steering Committee, as well as via the existing risk management processes.

## 2.4 CR Risks

Risk and description and how it has changed during the year	Relevance to strategy	Mitigation
<b>Environment Legislation</b>		
<p>Changes in legislative and regulatory environmental requirements.</p> <p>This risk has broadly remained the same.</p>	<p>Increased need for research and development to meet new legislation/regulations.</p> <p>Increased costs as a result of new legislation.</p> <p>Inability to source appropriate/compliant materials and/or equipment.</p> <p>Failure to achieve margin and ROCE.</p> <p>Damage to reputation.</p>	<p>Technical research into future regulatory effects.</p> <p>Member of NHBC and HBF.</p> <p>Regular monitoring of legislative requirements and proposed changes.</p> <p>Waste management procured via third party contractors and waste segregated on most sites.</p> <p>Procurement of timber from sustainable sources, with suppliers being advised of sustainable timber requirements.</p> <p>Delivery notes and invoices checked at divisional level to ensure timber supplied is agreed to Forest Stewardship Council and Programme for the Endorsement of Forest Certification sustainability standards.</p> <p>Annual completion of the Carbon Disclosure Project questionnaire which requires the central collation of data on the quality of sustainable timber sourced.</p>

## 2.4 CR Risks

Area and description of CR risk and how it has changed during the year	Impact and relevance of risk to CR strategy	Mitigation of CR risk
<b>Energy and Carbon</b>		
Energy, fuel and carbon inefficiency. This risk has broadly remained the same.	Missed opportunities to mitigate our carbon impact. Increased energy and fuel costs. Failure to achieve margin and ROCE. Direct contribution to climate change. Damage to reputation.	In-house assessments on energy consumption are performed on an ad hoc basis when required. Findings are communicated, internal training is given and poster campaigns are run to reduce usage. Newly procured/hired-in compounds now include at least two energy saving devices to reduce development site energy usage. Instructions have been issued across the Group to this effect. Six-monthly statistics collect information on the number of compounds in each division with at least two energy saving devices fitted. The mandatory Energy Savings Opportunity Scheme needs to be completed once every four years which will deliver a suite of cost effective energy saving activities that we can consider for both offices and development sites.
<b>Waste</b>		
Increase in waste. This risk has increased in line with the increase in units built this year.	Direct impact on the environment through increased use of scarce resources. Increased waste disposal costs. Failure to achieve margin and ROCE. Damage to reputation.	Waste management plans at sites. Engagement with suppliers and contractors to minimise waste. Re-use of waste on sites where possible.
Inappropriate waste disposal. This risk has been separately identified for the first time this year.	Increased waste disposal costs. Failure to achieve margin and ROCE. Damage to reputation	Waste management procured via third party contractors. Waste segregation on most sites. Detailed recruitment procedures to ensure Site Managers are recruited with the appropriate skill set. Induction training, including waste disposal, provided to all new site staff. Independent site inspections. Divisional Director and Health & Safety Team inspection regimes.
<b>Water</b>		
Flooding and/or pollution arising from the construction process. These risks have broadly remained the same.	Flood related delays impacting on sites delivery timescales. Cost and reputation damage due to flood run-off from sites. Failure to achieve margin and ROCE.	Detailed flood risk assessments are performed on all sites greater than one hectare. Detailed flood risk assessments are performed on all sites in flood zones 2 and 3. Flooding history is reviewed during the due diligence process prior to site acquisition. Drainage works on sites. Flood mitigation works phased throughout the life of a development site. Sustainable Drainage System installed as part of the developments.
Water use inefficiency and increased consumption. This risk has been separately identified for the first time this year.	Increased costs as a result of increased water consumption. Failure to achieve margin and ROCE. Damage to reputation.	Water usage is monitored by Regional Chairmen and Head Office via annual divisional returns.
<b>Environmental Issues</b>		
Failure to deal with environmental issues which may arise. This risk has been separately identified for the first time this year.	Build delays as a result of an issue being exacerbated. Increased costs to resolve the issue. Failure to achieve margin and ROCE. Damage to reputation.	Pre-purchase due diligence and on-going monitoring during development process. Corporate responsibility metrics and annual targets set and monitored throughout the year.

## 2.4 CR Risks

Area and description of CR risk and how it has changed during the year	Impact and relevance of risk to CR strategy	Mitigation of CR risk
<b>Construction</b>		
<p>Inability to secure appropriate materials. This risk has broadly remained the same.</p>	<p>Insufficient material availability at competitive prices can delay developments and affect the Group's ability to deliver to customer expectations.</p>	<p>Group deals in place with key suppliers, managed by Group Procurement Manager. Due diligence undertaken prior to entering contracts with suppliers. More than one supplier for some materials.</p>
<b>Recruitment and Retention</b>		
<p>Inability to attract and retain appropriate personnel, as well as shortages of skilled trades, including sub-contractors. This risk has increased during the year as the labour market has become more competitive.</p>	<p>Increased labour costs and lack of appropriately skilled personnel can delay developments and affect the Group's ability to deliver to customer expectations.</p>	<p>Identifying training needs and allocating appropriate resources. Site workers (including sub-contractors) are fully accredited under Construction Skills Certification Scheme ('CSCS'). Making sure competitive remuneration policies are in place. Graduate and apprentice training programmes are in place across the Group.</p>
<b>Employee Well-being</b>		
<p>Health and well-being of the staff is not appropriately considered. This risk has broadly remained the same.</p>	<p>Underlying health issues leading to increased absence and reduced productivity / motivation in the workforce.</p>	<p>Related HR policies and procedures across the divisions and central HR support. Annual smoking and hydration awareness information distributed by divisions. Hazard Board at each division, populated with information provided by Head Office.</p>
<b>Health and Safety</b>		
<p>There are significant risks to health and safety inherent in the construction process. This risk has broadly remained the same.</p>	<p>As well as the moral and legal obligation towards health and safety, injuries to employees, sub-contractors, and visitors to all work areas could cause delays in construction, administrative failures and poor sales. Health and Safety issues could also result in reputational damage, criminal prosecution and civil litigation.</p>	<p>The Board considers health and safety issues at each Board meeting. Formal training matrix to ensure all site staff are appropriately trained on Health and Safety and to provide clear guidelines on when permanent staff should receive their refresher training. All subcontracted staff required to have a valid Construction Skills Certification Scheme (CSCS) card to work on a Bellway site. Reputable suppliers used for all equipment hired by Bellway. As part of the procurement process, suppliers are required to evidence that they have the appropriate public liability insurance. Subcontractors are liable for any equipment they use on site as part of their terms and conditions. External consultants perform H&amp;S audits on every site monthly, with high risk developments reviewed more frequently. Ad-hoc reviews of H&amp;S practices on site performed by Head Office staff. Industry best practice is adopted on all sites. Annual targets and KPIs encourage staff to keep incidents low as well as providing clear focus for the Board on the on-going Health and Safety performance.</p>

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## 2.5 CR Policy

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Through sustainable construction we aim to create new and sustainable communities, using our knowledge and skills to enhance the environment in which we work.

We believe that our reputation is critical to the creation of long-term value for shareholders and we recognise that financial success is reinforced by our behaviour beyond the balance sheet.

Through Bellway's commitment to corporate responsibility we:

- Engage with a wide range of stakeholders, including shareholders, employees, customers, government and communities that we affect, thereby improving internal and external awareness.
- Comply with all relevant legislation as a minimum standard.
- Work towards recognised good practice in sustainable sourcing and use of construction materials.
- Treat all employees fairly and invest in training for the medium and long term to realise their potential.
- Provide a healthy and safe environment in which to work through an effective health and safety management system.
- Recognise and respond to the challenges and opportunities that are presented by climate change.
- Invest in the communities in which we develop in a way that contributes to local community needs.

The following structure has been put in place to achieve these commitments:

- The Chief Executive is responsible for ensuring the policy is adhered to and reports to the Board and external stakeholders on our performance and progress.
- The Chief Executive is supported by the Bellway4Good Steering Committee which includes senior employees from a cross-section of disciplines who are responsible for the development and review of policy.

Bellway is committed to reporting annually on its approach to Corporate Responsibility and has established key performance indicators to enable others to judge our performance. This policy does not replace existing policies in relation to environmental issues and health and safety, but has been developed to work in conjunction with them.

# 3

# Environment







The protection of the environment and climate change are two significant challenges that industry and society as a whole face. At Bellway we aim to minimise the deleterious effect our new sites have on these two important aspects through adopting a sustainable approach to our operations. This section of our CR report covers our on-going work in areas such as biodiversity issues on development land, water usage and energy consumption.

## 3.1 Biodiversity and Ecology

Creating sustainable communities for both now and the future means ensuring that we protect, conserve and enhance the environments in which we operate.

### Biodiversity and Ecology Surveys

For all of our individual site planning applications, where biodiversity and ecology need to be considered, we undertake a phase 1 desktop risk assessment. If the phase 1 Ecology Survey identifies any sensitive ecological issues we then look to undertake further ecological surveys in order to understand the overall impact and how this might shape the overall design of the site. If we are required to provide or implement any associated mitigation we will do so prior to, or during, the construction process.

On sites where biodiversity impacts are significant, we may need to carry out a detailed Environmental Impact Assessment (EIA). To determine whether this is required, we submit a 'screening option' to the Local Authority. This process allows us to take into consideration the environmental impacts of the development and take the necessary actions as advised by specialists.

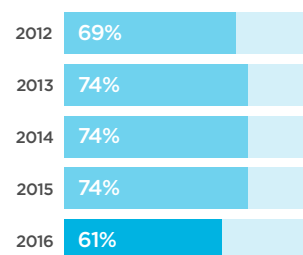
Where required we carry out Habitat Surveys in order to ensure we do not affect protected species such as bats, reptiles, newts, birds and badgers.

Examples of our current measures to protect the biodiversity of our sites include:

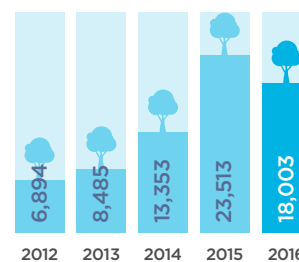
- Provision of bat boxes
- Relocation of badger sets
- Migration of newts to new habitats
- Tree retention and improved woodland/grasslands
- Construction of ponds on-site and off-site for both drainage purposes and to support and promote biodiversity

We also contribute financially to assist in the protection of Special Protection Areas (SPAs), such as the Thames Basin SPA. Here, Bellway's commitment has secured the provision of alternative sites for leisure and dog walking, thereby reducing pressure on protected habitats.

PERCENTAGE HOMES DEVELOPED ON BROWNFIELD SITES



NUMBER OF TREES PLANTED



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## 3.1 Biodiversity and Ecology

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### Sustainable Development

Recent planning reforms, including the National Planning Policy Framework published in 2012, have placed a greater emphasis on the delivery of sustainable development, not development at any cost. The National Planning Policy Framework introduced a 'presumption in favour of sustainable development' to ensure that local planning authorities identify and plan for the development which their areas need, and to make clear that applications that will deliver sustainable development should normally be allowed.

In 2015/16 62% of our new homes were built on brownfield land. The redevelopment of brownfield land can help to improve the local environment as well as having a positive effect on the local community, helping to reduce crime, increase local employment and create green spaces.

### Green Spaces

The provision of open spaces and the planting of trees and shrubs not only improves drainage and biodiversity opportunities, it also provides customers with the opportunity to use and enjoy such spaces in the vicinity of their new homes. In 2015/16 we planted over 195,400 trees and shrubs (averaging 22.4 per home built).

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## Case Study

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### Ecology Mitigation

An ecological survey undertaken at the former ITV studios at Culverhouse (Cardiff) identified an existing population of reptiles - Slow Worms. Protected under the Wildlife and Countryside Act 1981, for development to take place the slow worms had to be either protected or relocated.

Existing conditions at the site were such that retaining a reptile habitat within the development was not possible. An adjacent plot of land was identified as an alternative habitat given as it was in close proximity to the development site and the excellent dispersal corridors to grassland and scrub habitats in the surrounding area.

Soltys Brewster Ecology prepared a reptile mitigation strategy which was agreed with the local planning authority and incorporated the following elements:

- Removal of above ground vegetation within the development footprint to a height of c.50mm.
- Installation of temporary exclusion fencing within the development footprint to enclose the areas where reptiles have been identified and 'fix' the number to be translocated.
- Habitat enhancement measures at the alternative site including the retention of a 5m wide field margin; infrequent cutting of grassland habitat and creation of log piles in field corners & margins.

49 translocation visits were made by Soltys Brewster during which a total of 100 Slow Worms were transferred to the alternative site.



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# Case Study

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## River Darent Biodiversity

Extensive works were required along the western boundary of the River Darent in Dartford, London, as part of our Priory Mills development, including reducing the height of the river wall, re-profiling and planting of the river bank and the construction of a number of viewing platforms along the river boundary.

The overriding issue was to prevent any waste or pollutants from entering the water course and a surface water control system (in accordance with the Environmental Agency's pollution prevention guidelines) was put into place on the site. When removing the river wall, a Thames barge was positioned along the site boundary and the wall broken out in sections so that any concrete that became dislodged fell into the barge as opposed to the river itself.



The construction of the new river bank included a berm adjacent to the river wall as well as a swale to improve flood defences to the properties being built on the site. The embankment was bio-engineered in order to provide new habitats for local wildlife and plant life and viewing platforms provided to enhance the amenity spaces for the development.

## Green Space

A development of 80 homes at Bransgore, in the heart of the New Forest, while on a brownfield site, is within a designated greenbelt area. In order to mitigate against the possible loss of greenspace, we are providing just over 4.5 hectares of SANG (suitable alternative natural greenspace) complete with associated footpaths and a play area trim trail. This SANG area will be open to the general public prior to the occupation of the residential units.



## Ecology Mitigation

A development of 120 homes in Poole was located on a former land fill site that had since become populated with several protected species of reptile - Slow Worms, Sand Lizards and Smooth Snake. As part of the residential development, a nature conservation area was created in order to house the translocated reptiles with reptile protection fencing erected. The process of reptile translocation has now seen approximately 7000 reptiles relocated into the new nature conservation area.

## 3.2 Energy



Becoming more energy efficient, both in our own operations and in the energy performance of the new homes we build, is an important part of our CR strategy. We have continued to introduce compounds fitted with a range of energy saving devices to drive down energy usage, increasing the proportion of developments with such compounds from 52% to 84%. We have also introduced standardised guidelines and procedures for the use of heating in our show homes and sales offices to drive further efficiencies.

### Carbon Footprint

We calculate our annual carbon footprint using emission factors from the 2016 Government GHG Conversion Factors for Company Reporting. The results are reported to the Carbon Disclosure Project as well as published in our latest Annual Report. For the second year our carbon footprint has been externally verified by Zeco Energy to a 'reasonable assurance level', as well as subject to scrutiny by our external auditors KPMG. More details on our carbon footprint can be found under the climate change section of this report.

### Energy Audits

As part of the Energy Saving Opportunity Scheme (ESOS), we undertook energy efficiency consumption audits at some of our offices and development sites with a view to identifying a range of energy saving initiatives that could be rolled out across the Group. Initiatives identified included:

- Installing more energy efficient lighting
- Controlling the heating via thermostats
- Potential for photovoltaic panels on office roofs
- Use of timed devices and sensors to control lighting
- Training employees and sub-contractors in energy efficiency good practice

Work in the coming year will include the trial of energy saving campaigns in divisions and the production of best practice energy efficiency guides for offices.

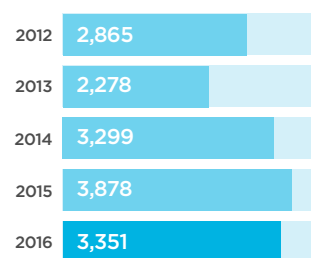
### Construction

All our new homes are designed to, as a minimum, meet the energy efficiency criteria set out in the relevant building regulations, and in many cases we exceed this criteria. This helps our customers minimise their running costs and their impact on the environment once they have taken ownership of the property. Where appropriate we may use a range of renewable energy technologies on developments, such as solar panels, photo-voltaic panels, air source heat pumps and ground source heat pumps. Lighting in new homes is energy efficient, while boilers are 'A' rated for energy and going forward we will be introducing 'dual zone' heating capability into our new homes to further improve efficiency. In addition all windows are double-glazed and kitchen appliances are 'A' rated or better for energy consumption. All these initiatives help to lower the energy bills for our customers.

### Customers

Our informative home owner packs include our 'Go Green' information sheet, developed specifically for customers to help them make informed environmentally-friendly choices about how they live in their property, ensuring that they have the best possible experience of a Bellway home from the moment they move in.


NUMBER OF HOMES WITH ENERGY SAVING / RENEWABLE TECHNOLOGY




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## Performance Against 2015/16 Targets


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- We will aim to ensure that 100% of new and hired-in construction compounds will include at least 2 energy saving devices, bringing the percentage of all compounds with energy saving devices fitted to at least 60%. 

By the end of the year 84.3% of compounds were fitted with energy saving devices, compared to 52% in the previous year.

- We will, at the planning stage, aim to design our homes to have a site Dwelling Emission Rate that is 5% better than required by the relevant building regulations. 

Homes constructed in the 2015/16 year achieved an average DER of 5.67% better than the applicable building regulations.

- We will aim to undertake energy audits at a minimum of 2 divisional offices to identify energy saving opportunities that can be implemented across our office estate. 

Audits were undertaken at 2 offices and relevant findings have been taken forward for implementation.

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## 2016/17 Targets

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We will increase the proportion of construction compounds with energy saving devices to at least 90%.

We will limit the engine size of fork lifts to 55 watts on all sites by 2019, delivering fuel and carbon savings.

We will develop a 'best practice' energy saving campaign, implement in 1 division and assess its impact prior to considering roll-out across the wider business.

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## Case Study

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### Renewable Energy

As part of our site in Bishopstoke, Eastleigh, the borough council's sustainability policy required that all new housing developments comply with energy efficiency levels equivalent to Code for Sustainable Homes Level 4, as well as for 15% of the total development's energy usage to come from a renewable source. This combined requirement was the equivalent of the homes being 19% more energy efficient than required by Part L of the 2013 Building Regulations. We were able to deliver this by improving the energy efficiency of the building fabric in the homes as well as by installing PV panels to each plot on the development.



## 3.3 Water



We are mindful of the impact our developments can have on the wider environment, with drainage and flood mitigation a key priority throughout the planning and construction process. We also seek to investigate ways in which we can support customers to reduce water usage in their new homes.

### Flood Mitigation

When a new site is identified, we assess the potential environmental impacts of the development, including the consequences for the water cycle. The risk of flooding is considered at all stages of a project, from initial design through to construction. Flood risk assessments and surveys are carried out and drainage experts are involved in site master planning. Each construction phase is planned with a view to protecting sites and their neighbours before other works begin.

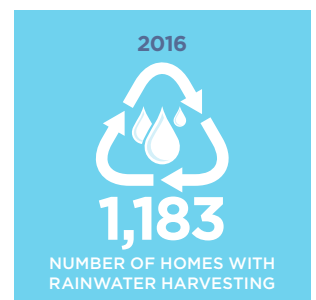
Where we create new hard-standing areas, such as roads and foundations, in areas which were naturally porous, we take measures to reduce the level of run-off water. We support the use of porous paving and creating water drainage systems such as Sustainable Drainage Systems (SuDS). SuDS are drainage solutions that provide an alternative to the direct channelling of surface water through networks of pipes and sewers to nearby watercourses. By mimicking natural drainage systems, SuDS aim to reduce surface water flooding (by increasing water storage capacity), improve water quality and reduce the transfer of pollution to the water environment. In 2015/16, we installed 129 SuDS into our developments.

### Domestic Water Use

To aid our customers in their water use reduction, all Bellway new homes incorporate reduced water use measures. Some of these measures include dual flush lavatories which use one third less water, low overflow devices on baths, kitchen tap flow reduction devices and aerating water in showers. In some cases we incorporate water efficient considerations into the design, such as the use of grey water recycling (water diverted from sinks into the lavatory cisterns) to flush lavatories.

Bellway also supplied 1,183 homes with rainwater recycling butts in 2015/16 in order to reduce customers' needs to use hosepipes in the summer months.

As part of the requirement of building regulations, with these technologies in place we have reduced the average water consumption in our homes from 150 litres to a maximum of 125 litres per person, per day. This provides financial savings for our customers as well as ongoing wider environmental benefits. Through the roll-out of our Standard House Types in the coming year, we aim to reduce that further, down to 110 litres per person per day.



## 2016/17 Target

**We will introduce metered supplies for construction water usage at 90% of new developments, building up an accurate picture of Bellway's water usage.**

# Case Study

## Sustainable Drainage

The development at St Clements lakes in Dartford is notable for the number of man-made lakes throughout the scheme. These lakes not only serve as a wonderful scenery and amenity space for residents, but also forms part of the SuDS drainage system in which surface water from the surrounding highways and dwellings feed directly into the network of five interlinked waterbodies. The SuDS also provides a large habitat for local wildlife growth.

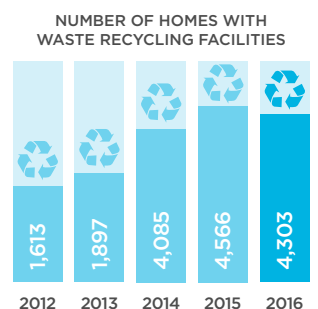
Also in Dartford, surface water at our Joyce Green Lane development will not be running into the existing local drainage systems. Instead surface water will run off into the local marsh land adjacent to the site which is also a habitat for a significant amount of local wildlife. A system of two attenuation tanks, including a petrol interceptor to avoid water contamination, will slowly release the water to the local marsh land. All these works will be observed and monitored by an ecologist to ensure minimal damage to the surrounding areas and to ensure that wildlife will not be unduly disturbed by the works.

## 3.4 Domestic Waste



We recognise that our customers need to be able to dispose of their domestic waste in a practical manner, while taking into consideration the environmental impacts of waste disposal. To support our customers in making environmentally friendly decisions we incorporated internal recycling facilities as a standard feature in over 4,300 of our new homes.

We also now provide information in our homeowner information packs, highlighting the importance of recycling domestic waste, including location and details of the nearest local authority recycling centre.



## Performance Against 2015/16 Target

- We will aim to provide information on local recycling centres in customers' home handover folders, helping them to divert an increasing proportion of their household waste from landfill.



Information on local recycling centres is now included in each handover folder.

## 3.5 Transport and Connectivity



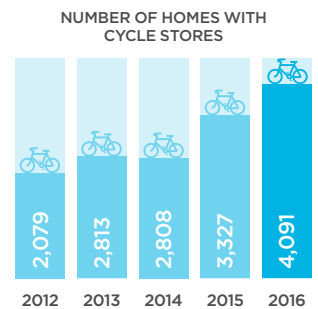
Location can play a key role in deciding where to live. We help our customers to make the right choice in relation to the location of the site by providing a range of information in site-specific literature, known as 'my space'. The document is held in the sales office for potential customers to view, so they can decide for themselves whether the location is right for them.

### Travel Links

Specific data may include details of public transport (bus and trains), the location and contact details of services such as local libraries, doctors and dentists, and distances to motorway links. Sustainable transport links can be a deciding factor when purchasing a new home and in the last financial year (2015/16), 182 of our sites were within 500 metres of a public transport connection and we provided cycle storage in 4,091 homes.

### Company Cars

Our company car policy is currently under review but we continue to monitor emission levels and the average level has fallen slightly this year to 107g/km of CO<sub>2</sub> (2015/16: 108g/km). 34% of the fleet have emissions below 100g/km CO<sub>2</sub> and vehicles are maintained in accordance with manufacturer requirements to help reduce CO<sub>2</sub> emissions and maximise fuel efficiency.



## Performance Against 2015/16 Target

**We will aim to include sustainable travel information in customers' home handover folders, allowing them to make informed decisions regarding their transport choices.**



Sustainable travel information is now included in each handover folder.

## Case Study

### Travel Plan

Bellway's Stannington Park development, just outside Morpeth in Northumberland, isn't just delivering much needed housing. A brand new community is being created, including 289 homes, renovation of the existing chapel to provide a community facility, provision of a new cricket pitch and pavilion, creation of a business hub as well as a brand new pub and restaurant.

The development is very rural and we have focussed heavily on transport links and sustainable travel initiatives across the development. As well as making financial contributions towards improved cycle links, we have appointed the Local Authority as our Travel Plan Co-ordinator to create travel welcome packs for residents, giving advice on sustainable transport options and to encourage the use of local travel initiatives, such as car sharing websites.

We have successfully secured a new bus service, in partnership with Northumberland County Council, providing a 7 day a week service from the development into Morpeth, the closest town. As well as serving Stannington Park, the bus service is also providing much needed transport links to the surrounding villages. Due to its popularity the operator has already added further stops to the route at the request of local residents. Our funding for the new service is in place for five years and it is hoped that during this period it will become established and self-funding.

Again, in partnership with Northumberland County Council, we are investigating the potential for providing a car-club on the development and all of these initiatives make a huge difference in establishing a new community and giving residents sustainable travel choices.



## 3.6 Climate Change



Bellway recognises the significant effect carbon emissions have on the climate and as a responsible organisation we seek to actively manage this risk on an ongoing basis.

### Carbon Measurement and Reporting

We measure our carbon footprint based on the UK Government's Environmental Reporting Guidelines (2013) and emission factors from the 2016 Government GHG Conversion Factors for Company Reporting. We are continuing to improve our data recording processes and this year's footprint includes for the first time gas and electricity consumption emissions from our inventory of completed homes (prior to handover to customers) and an estimate of consumption for offices where utilities are included in building service charges.

Emissions excluded from our footprint are as follows:

- Gas and electricity from part-exchange properties due to immateriality and difficulty in accurately reporting and recording this data.
- Emissions from site-based combined heat and power units for which the Group does not have operational control.

This year our footprint was again independently verified by Zeco Energy to a 'reasonable assurance level'.

We have continued our approach of communicating carbon performance to our stakeholders. In line with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, we reported on our greenhouse gas ('GHG') emissions as part of the annual report and accounts and we have continued our participation in the Carbon Disclosure Project (CDP). The CDP is a voluntary disclosure programme which follows the principles and guidance for carbon emission calculation and reporting as directed by the EU. In the 2015 CDP we received a score of 91 out of 100 for disclosure (up from 81 in 2014) and were ranked in performance band D.

### 2015/16 Carbon Footprint

We measure and categorise our carbon emissions by fuel (including diesel and petrol used on our developments and for travel in company vehicles on Group business), gas and electricity use.

Greenhouse Gas Emission (tonnes of CO <sub>2</sub> e) <sup>1</sup>	2016		2015	
	Excl. inventory plots / office recharged utilities	Incl. inventory plots / office recharged utilities <sup>2</sup>	Excl. inventory plots / office recharged utilities	Incl. inventory plots / office recharged utilities <sup>2</sup>
Scope 1 - Combustion of fuel & operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	13,845	16,362	10,634	13,223
Scope 2 - Electricity purchased for our own use	5,050	5,972	4,358	5,174
<b>Total Emissions</b>	<b>18,895</b>	<b>22,334</b>	<b>14,992</b>	<b>18,397</b>
<b>EMISSIONS INTENSITY:</b>				
tCO <sub>2</sub> e per Bellway home sold <sup>4</sup>	2.2	2.6	1.9	2.4
tCO <sub>2</sub> e per Bellway employee <sup>5</sup>	7.9	9.4	6.9	8.5

<sup>1</sup> Carbon dioxide equivalent

<sup>2</sup> Carbon impact for offices with landlord recharged utilities is estimated based on average consumption per square metre for offices with billed utilities.

<sup>3</sup> Carbon impact of inventory plots is estimated from known consumption data for c.60% of plots, extrapolated across all plots for the year.

<sup>4</sup> Based on number of legal completions.

<sup>5</sup> Based on the average number of employees during the year.

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## 3.6 Climate Change

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Our overall carbon emissions have increased by 49% to 22,334 tonnes CO<sub>2</sub>e, driven by a number of factors:

- Improved data capture and reporting - this year our emissions include gas and electricity consumption from our inventory of completed homes (prior to handover to customers) and an estimate of consumption for offices where utilities are included in building service charges. Together these elements represent 53% of the increase.
- Increased construction activity - the number of legal completions has increased by 12.5% to 8,721.

On a like for like comparison (excluding carbon from our inventory of completed homes and offices with a utility recharge) our carbon emissions have increased by 26% to 18,895. On this same basis carbon emissions per home sold have increased by 12% to 2.2 and carbon emissions per employee have risen by 14% to 9.4.

2016 saw the appointment of a third party company to help manage our utility portfolio, delivering improvements in the accuracy and collection of carbon data. This has given greater visibility to the areas of significant energy consumption across the business. Along with a move to internal quarterly reporting, this will enable the Group to consider carbon reduction targets in future years.

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### 2016/17 Target

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**We will develop quarterly carbon reporting with a view to establishing carbon reduction targets in future years.**

## 3.6.1 Bellway 2015/16 Carbon Footprint Verification Statement



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The Directors  
Bellway PLC  
Seaton Burn house  
Dudley lane  
Seaton Burn  
NE13 6BE

8<sup>th</sup> September 2016

Dear Sirs,

We have been engaged by Bellway PLC (Bellway) to examine the greenhouse gas (GHG) emissions comprising **22,333.76** metric tonnes of CO2 equivalent, as reported in the Bellway "Consolidated Group Emissions 2015-16 Q1-Q4 FINAL" document dated 31<sup>st</sup> August 2016.

Bellway is responsible for the preparation and presentation of the information within the Report. Our responsibility is to express a conclusion as to whether the greenhouse gas emission assertion is presented fairly in accordance with the verification criteria, which comprises:

- Department for Environment Food & Rural Affairs, Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance, June 2013
- World Resources Institute, Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition
- Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013

Our duties in relation to this report are owed solely to Bellway. Accordingly we do not accept any responsibility for any loss occasioned to any third party acting or refraining from action as a result of this report

We completed our examination in accordance with ISO 14064-Part 3: *Specification with Guidance for the validation and verification of greenhouse gas assertions*.

As such, we planned and performed our examination in order to provide reasonable, rather than absolute assurance, with respect to the greenhouse gas emission assertion conformance to the verification criteria. We believe our work provides a reasonable basis for our conclusion.

Based on our examination, in our opinion the greenhouse gas emission assertion presented in the "Consolidated Group Emissions 2015-16 Q1-Q4 FINAL" have been presented fairly in accordance with the relevant criteria, in all material respects.



Jon Kent  
Chief Executive Officer  
Zeco Energy Ltd

8<sup>th</sup> September 2016



Registered and trading at the above address.

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## 3.6.2 Environmental Policy

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The house building process impacts on the environment through the use of land and consumption of resources in the development process. It is our objective to ensure that at the conclusion of a development, an attractive and sustainable new community has been created with the minimum possible impact on the wider environment.

Recognising that we have a responsibility to limit damage to the environment, our key objectives are to manage the environmental impacts across the business:

- Minimise any adverse effects on the environment and, where necessary, to seek environmental enhancements, concentrating on areas where there is most scope for improvement.
- Aim to meet, and where practicable, exceed all relevant environmental legislation and regulations.
- Improve our environmental performance.
- Set specific environmental commitments and targets and periodically review progress against these targets.
- Ensure that our environmental aims and their importance are communicated throughout the Group, including appropriate subcontractors and suppliers, and that a copy of the policy and relevant procedures are available at our sites and offices and on our website.
- To consider the role that we can play in helping to contribute to the principles of sustainable development.
- Recognise and respond to the challenges and opportunities that are presented by climate change.

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### 3.6.3 Climate Change Policy

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The way in which Bellway manages its business today can have an effect on the environment in the future, through the way in which our homes are constructed, the energy required to build them and the energy our customer use while living in them.

As a major developer of new homes in the UK, we realise that we have a significant role to play in combating climate change and reducing GHG emissions and we define our position on this issue by:

- Supporting precautionary action on climate change while recognising that aspects of the science are still evolving and remain the subject of expert debate.
- Believing that climate change is a long-term issue and support urgent but informed action to stabilise GHG concentrations by achieving sustainable long-term emission reductions.
- Supporting an inclusive approach that acknowledges the existence of many different starting points, priorities and solutions.
- Believing that government and business must work together to create policies that contribute towards the provision of new homes while at the same time reducing emissions.

At Bellway we will focus our efforts on:

- Working to ensure that we achieve or exceed the energy efficiency of new homes in accordance with environmental standards, as dictated by the building regulations.
- Evaluating the materials used during the construction process. Where suitable and economically viable, selecting products from supply chain partners which limit harmful GHG emissions both in their manufacture and subsequent use.
- Continue to inform and encourage customers to follow practices that have a less harmful effect upon the environment.
- Reducing our carbon emissions by reducing energy consumption.

4

# Construction



Bellway

# Construction



As a house builder, the construction process is the most visible impact we have on local communities, society and the wider environment. We take a partnership approach to the construction of our developments, working closely with suppliers, contractors, local authorities and local communities to create new, attractive and sustainable communities and developments.

## 4.1 Planning

Bellway buys land with and without the benefit of detailed planning permission. Where sites are progressed through the planning process, we work closely with both local councils and the local residents to arrive at a scheme that is beneficial to the community, whilst at the same time enhances the local environment. We do this by combining the talents of the in-house teams with expert external consultancy.

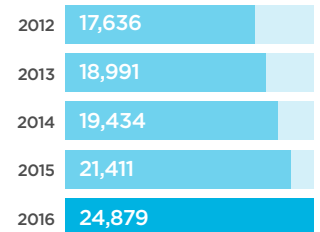
### Inclusive Planning

We are committed to an inclusive planning approach. This includes involvement with local communities through neighbourhood workshops, public meetings, exhibitions, newsletters and interactive websites, all assisting to build positive relationships with key stakeholders.

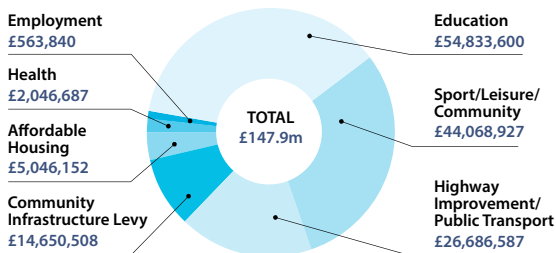
### Engagement

While these measures help to secure detailed planning permissions for sensitive and challenging sites, we never lose our focus on the new communities being developed. By engaging with local people we can provide new homes and facilities to blend within the community, creating cohesion between old and new.

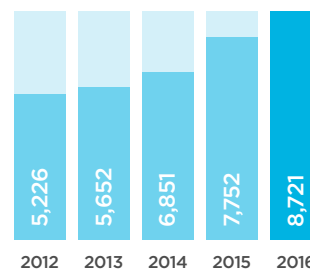
NUMBER OF OWNED AND CONTROLLED PLOTS WITH IMPLEMENTABLE DPP (DETAILED PLANNING PERMISSION)



SPLIT OF SECTION 106 PAYMENTS



NUMBER OF HOMES SOLD



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## Performance Against 2015/16 Targets

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**We will aim to improve the community engagement process for new development applications (of 50 or more units) by publishing details of the development proposals on-line, including the ability for interested parties to leave comments / feedback for due consideration.**



In 2015/16 36 planning applications qualified under the terms of the target, all of which had on-line public consultations with feedback facilities.

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## 2016/17 Target

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**We will pilot 'Building for Life' on a minimum of 1 site and assess the impact on planning, construction costs and development desirability over the next 3 years.**

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## Case Study

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### Community Consultation

Bellway is planning a development at Penllergær (Swansea) that will eventually see 850 - 1000 new homes built, including 20% affordable housing. As part of the overall consultation process, Bellway has sought the views of a range of organisations, local politicians, key stakeholders and the local community.

Bellway has also presented the initial plans to the Design Commission for Wales for an independent review. Following the hearing with the Commission some subtle but important changes have been made to the site wide masterplan which will improve the overall sense of place brought about through the development.

Bellway is also working with the Council to support the evidence base for the Local Development Plan, where the site is currently included as a draft allocation to provide 850 homes over the plan period.



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## 4.2 Research and Development - Sustainable Construction

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Our house type designs and build processes are constantly evolving as we seek to respond to the demands of our customers, stakeholders and the ever more stringent statutory requirements.

Residential development sites are diverse in their character and environment. This offers us the opportunity for the research and development of new systems, products and processes to further improve our efficiency.

### Design and Materials

We keep under constant review our house designs and building materials to learn from the way they perform during construction and in use. This improves the performance of the home for our customers as well as reducing costly and wasteful repair and alteration works.

During the year, we have focussed on energy efficiency in the home in order to keep the energy bills of our customers to a minimum. In the coming year new designs will continue to benefit from a range of sustainable improvements, such as better thermal insulation and more energy efficient lighting.

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## 2016/17 Target

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**We will continue to investigate new commercially available sustainable building products / techniques / materials to assess their design and build performance.**

## 4.3 Procurement and Supply Chain Management



At Bellway we aim to create sustainable long term relationships with our suppliers and sub-contractors. Procurement is controlled using a central supply chain function and supported by divisional teams. The system establishes standard national procurement arrangements for the majority of main construction products, with our divisions also able to utilise local suppliers where appropriate. This centralisation of the procurement process also helps to maintain competitive pricing levels and ensures our terms and conditions make it clear that we will not tolerate slavery or human trafficking in the supply chain.

### Supplier Relationships

We are committed to selecting suppliers, products and services that meet the quality and value-for-money requirements of the business, whilst at the same time minimising, where possible, any potential negative social and environmental impacts. One of the main principles of our supply chain management system is to service sites via local suppliers, helping to both reduce carbon emissions from the transport of materials and to employ people from local communities.

The relationships we form with our supply chain helps us to ensure that company policies are adhered to, current procurement levels are maintained, and that we are compliant with legislative requirements and planning requirements. We rely on our supply chain to support our reputation for high standards and we believe that the development of long-term relationships helps us to achieve this.

### Prompt Payment Code

We are members of the Prompt Payment Code, recognising our commitment to paying our suppliers within clearly defined and agreed terms.

### Sustainability

Our aim is to constantly improve the quality and sustainability of our houses and we have achieved this in a number of areas. Timber is sourced from managed stewardship forests accredited to PEFC<sup>1</sup> or FSC<sup>2</sup>, white goods (ovens, refrigerators, dishwashers and washing machines) are energy A rated or better and over 95% of all water fittings are accredited to the Water Regulations Advisory Scheme (WRAS)<sup>3</sup>.

1 The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification.

2 The Forest Stewardship Council (FSC) is an international not-for-profit, multi-stakeholder organization established in 1993 to promote responsible management of the world's forests.

3 The Water Regulations Advisory Scheme (WRAS) is a conformance mark that demonstrates that an item complies with high standards set out by water regulations promulgated in 1999 in the United Kingdom.

## 2016/17 Target

**We will continue to source 100% of timber from sustainable supplies.**

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## 4.3.1 Wood Procurement Policy

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Bellway's aim is to ensure that all wood products used by the Company in the house building process originate from verified well-managed forests.

The cornerstone of this policy requires our suppliers to ensure that the timber supplied is produced in compliance with current laws and forest practice codes in the country concerned. Timber must not be taken from ancient forests or other high conservation value forests, unless the forest area is certified according to the Forest Stewardship Council's principles and criteria or an equivalent system.

The following considerations guide our purchasing:

- To ensure we produce a quality product for our customers, we fairly assess all purchased wood for its quality, quantity and point of origin.
- We specify in orders and contracts that suppliers must provide evidence that timber and timber products have been lawfully obtained from forests or plantations that are being sustainably managed. Acceptable certification includes Forestry Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody.
- This policy has been communicated to all Bellway's timber suppliers. Bellway will continue to review its procurement policy in-line with its commitment to continue enhancing its environmental management systems.

## 4.4 Construction Waste



The materials we use to build our homes are resources that require careful management. Our aim is to use such resources as efficiently as possible, ensuring that we limit our impact on the environment by minimising waste, and so deliver cost and efficiency savings which benefit our wider business, customers and stakeholders.

### Waste Strategy

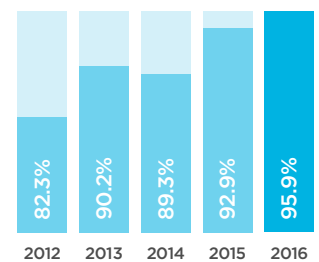
Our primary objective on every development is to prevent waste in the first instance through a comprehensive waste management strategy. This begins with the planning and design process, filtering down through the management of the construction process and across the lifetime of the development.

We are constantly evolving our house types and construction processes, seeking new systems and products to help improve the efficiency of the construction process. We have again given focus to improving the proportion of our waste which we divert from landfill across our divisions and we have successfully improved our overall diversion rates to 95.9% this year (2014/15 - 92.9%).

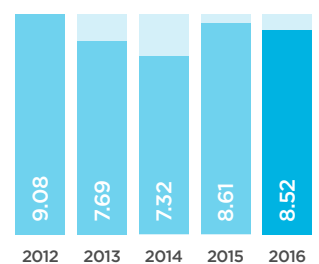
### Waste Performance

The figures in the table below show the breakdown of waste by category for the past 5 financial years. Overall waste has increased by 11%, broadly in line with 12.5% increase the number of homes completed this year and our year-on-year waste diversion rate continues to improve, rising to 95.9% in 2015/16, while waste per home completed was in line with last year.

PERCENTAGE OF WASTE DIVERTED FROM LANDFILL



TONNES OF CONSTRUCTION WASTE PER HOME SOLD



Waste Category	11-12 (tonnes)	12-13 (tonnes)	13-14 (tonnes)	14-15 (tonnes)	15-16 (tonnes)
Timber (t)	3,997	4,153	5,222	5,126	6,923
Aggregates (t)	12,261	9,258	8,624	13,785	16,432
Plasterboard (t)	2,468	2,373	2,596	3,162	3,562
Mixed metals (t)	242	174	286	304	477
Mixed waste (t)	27,868	27,206	33,303	44,353	46,830
Electrical (t) <sup>1</sup>	49	108	3	0	1
Hazardous (t)	563	186	123	9	37
Total (t)	47,448	43,458	50,157	66,738	74,262
Diverted (t)	39,066	39,181	44,784	62,001	71,226
Diverted (%)	82.3%	90.2%	89.3%	92.9%	95.9%
Homes Completed	5,226	5,652	6,851	7,752	8,721
Waste (t) per Completed Home	9.08	7.69	7.32	8.61	8.52

<sup>1</sup> The significant drop in electrical waste was due to electrical contractors retaining their own waste for recycling off-site.

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## Performance Against 2015/16 Targets

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**We will aim to introduce a maximum of 3 waste management contractors across all divisions to improve waste management data and diversion rates, with 100% compliance achieved by 2018.**



Work is continuing on this project and the target has been rolled over into 2016/17.

**We will aim to increase the proportion of waste diverted from landfill on construction sites from the existing 92.9% level.**



Diversion rates increased to 95.9% for the 15/16 year.

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## 2016/17 Targets

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**We will continue work to introduce a maximum number of waste management contractors across all divisions, aiming for 100% compliance by 2018 and work to identify key waste reduction opportunities.**

**We will maintain the proportion of waste diverted from landfill on construction sites at 95% or above.**

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## Case Study

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### River Transport

The River Gardens site in Old Isleworth, London, is situated right on the banks of the River Thames. During enabling works a large amount of non-hazardous industrial waste needed to be cleared and removed from the site before construction could begin.

Our Thames Gateway division utilised the adjacent River Thames and moved the waste away from the site to the disposal location by river barge. Each barge was capable of transporting between 1,000 and 2,000 tonnes of waste and over the duration of the works over 14,000 tonnes of waste was transported on 15 barge loads. By utilising the river we were able to keep over 800 lorry journeys off the congested London roads, with the added benefit of reduced carbon and pollution impact.



## 4.5 Construction Site Management



We believe that good health and safety, customer care, and build quality are essential in achieving high standards across all aspects of the business. Bellway's Site Managers play a vital role in delivering these high standards.

### Site Managers

Site Managers undertake a wide range of diverse and demanding duties and their wealth of technical knowledge makes them an essential asset to the business. They are encouraged to perform at the highest level and to provide a friendly and supportive environment in which to work.

### Awards

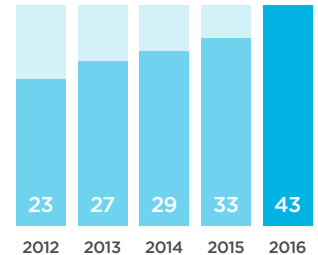
We believe that good health and safety, customer care, and construction quality are essential in achieving high standards across all aspects of the business and Bellway Site Managers have been recognised as being amongst the best in the industry.

In 2015/16, Bellway Site Managers won five NHBC Health and Safety Awards, demonstrating their continued drive and passion for improvement and excellence. Two Site Managers went on to achieve the prestigious 'Highly Commended' accolade.


Bellway Site Managers also won a record 43 NHBC 'Pride in the Job' awards, the highest number the company has ever achieved and a 30% increase on last year (2014/15 - 33). These awards recognise those Site Managers who have achieved the highest standards in house-building and provides independent recognition of our high standards of construction.



NHBC (NATIONAL HOUSE-BUILDING COUNCIL) PRIDE IN THE JOB AWARDS



## Performance Against 2015/16 Target

We will aim to review 20% of development sites to influence standard compound configuration & design with a view to reducing material wastage rates. 

Site reviews took place and an Environmental Management Good Practice Guide has been issued to all divisions.

# Case Study



## Pride in the Job Awards

We strive to ensure that our homes are built to a high standard, helping to reduce remedial work and minimise disruption for our customers. This focus on build quality has seen a record 43 of our Site Managers rewarded with National House Building Council (NHBC) 'Pride in the Job' awards.

These awards recognise the country's best site managers and is the house-building industry's most prestigious awards programme. Judges score site managers on a number of areas, including their demonstration of excellent leadership, quality of workmanship, technical expertise and robust health and safety procedures. To win an award, these qualities must be evident across all stages of the build and must highlight Site Managers' meticulous attention to detail.

Our winning Site Managers are:

- East Midlands - Andy Clarke; Justin Williams; Steve Alcock; Gary Archer; James Dunn; Tom Nicklin; Jan Ruddick; James Kilby; Lloyd Gurney.
- Essex - Danny Orvis; Neil Kendrick.
- Kent - Dick Salisbury.
- Manchester - Simon Ward.
- North East - Steve Brown; Ray Dargue; Ray Dargue JNR; Ben Singlewood.
- North London - Neil McCready; Mark Todd.
- North West - Steve Williams.
- Northern Home Counties - Greg McGovern; Steven Kolodziejczyk; Neil Warwick; Rob Connolly; Alan Lee.
- Scotland - George Carty; Kevin Dineen.
- Thames Gateway - Jeff Moss; John Potter; Gary Nott
- Wales - Derek Knight; Dave Crisp.
- Wessex - Nick Ridd; Dave Murnane.
- West Midlands - Paul Edwards; Will Graham; Steve Brown; Dave Saunders; Jon Wright; Stewart Parker.
- Yorkshire - Martin Griffiths; John Hallett; Vincent Hardcastle.

## 4.6 Considerate Construction



At Bellway we take pride in our developments, from the management of the construction site and the care we give to our customers, through to the relationships built with those affected by our work practices and the finished homes we build.

### Considerate Constructors Scheme

To co-ordinate these efforts, and as part of the Code for Sustainable Homes initiative, sites are often registered with the Considerate Constructors Scheme (CCS). The CCS is an independent assessment system which awards points over five categories relevant to construction sites:

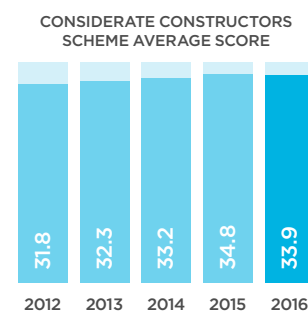
- Enhancing the appearance
- Protecting the environment
- Caring for the workforce
- Respecting the community
- Securing everyone's safety

Each category can be awarded a maximum of 10 points and good practice, consistency, evidence of good communication and innovation are rewarded with high scores.

### Performance

Since 2011/12 we have seen our score improve year-on-year and we set ourselves a target to achieve an average score of at least 35 for the 2015/16 year. With almost 60% of sites signed up to the Considerate Constructors Scheme, we unfortunately missed our target, recording an average score of 33.9 for the year.

We have not set a target for the 2016/17 year as with the demise of 'Code for Sustainable Homes', we expect fewer of our sites to be registered for the scheme going forward.



## Performance Against 2015/16 Target

**We will aim to improve our average Considerate Construction Scheme score to at least 35.**



Performance slipped during the year and our average score was 33.9.



## Case Study



### Alex Lacey Interview

Bellway Site Manager Alex Lacey picked up a Silver 'Considerate Constructors Scheme' (CCS) Award for the Fillingham Court development, the first Silver award Bellway has achieved to date.

#### What does winning the CCS mean to you?

I feel that the CCS is closely linked to health and safety in many ways. Both site health and safety and our public 'shop window' are things that I have always tried to put a lot of effort into throughout my site management career. Therefore to win the Silver award is great recognition for all the hard work and effort put in by my site team.

#### What motivated you to aim for an award?

When we started this development at Fillingham Court we announced that the CCS scheme would be something that we would be actively engaging with. I did some research into the scheme and found that even though we had been registering sites for the past 7 years or so, as a Group, Bellway had only picked up Bronze awards to date. I felt that this would be an exciting challenge to exceed past performance and publicised a target to the entire development team to encourage them to 'put our site on the map' and be the first in Bellway to achieve a minimum of a silver award.

#### What have you taken away from this experience?

It's really rewarding to be able to say that as a site manager, my team at Fillingham Court have achieved something that no other site in the Group has achieved before and so far since. I'm sure somebody will set a new Bellway record score one day, if we don't beat it again ourselves first that is. It wasn't until sometime after we had completed the site and moved onto another development that I realised I had remained in contact with two of the local residents at a personal level whom I now call friends. This never would have happened without the scheme encouraging sites to look further than their own boundaries and to become part of and look out the local community in which they are located.

5

# Society and Economy



Bellway

# Society and Economy



At Bellway we are committed to growing and operating our business in a sustainable and ethical manner. That includes engaging with a range of important stakeholders and:

- Looking after and developing those who work with us – employees, contractors and suppliers.
- Delivering high levels of service to our customers.
- Adding value to local communities through job creation, supporting local businesses and providing high quality, value for money homes.
- Supporting local and national charities.

## 5.1 Bellway Employees

The quality of our developments, the standard of our customer service, the strength of our business strategy and the value we deliver for our stakeholders are all a result of the people who, together, make up Bellway.

### Training and Development

The success of our business relies on us having a skilled and competent workforce, and developing our people remains a key priority for us. During the year we increased the number of training hours by approximately 20%. We continue to invest in developing our Site Managers and Assistant Site Managers, with 48% of these roles now having achieved NVQ Level 6 qualification or above, which is an improvement of 14% on the previous year (2014/15 – 34%).

We are also pleased to report that a record 43 Site Managers were awarded NHBC Pride in the Job Awards this year, which is a 30% increase on the previous year (2014/15 – 33). Along with this 5 of our Site Managers achieved a Commended award in this year's NHBC Health & Safety Awards, with 2 then going on to secure Highly Commended awards. This is excellent recognition for our people, and reflects the quality and high standards that these valued employees have achieved.

In 2015/16 we launched the Bellway Learning Hub, an online learning platform which will provide e-learning courses and online resources for new and existing employees. The Learning Hub will allow us to deliver a wide range of mandatory and developmental training across the entire Group. We are committed to further improving the learning and development opportunities available to our employees, and the creation of an HR department will help to give this area greater focus in the coming year and beyond.

Some of the key initiatives which will be addressed during 2016/17 include:

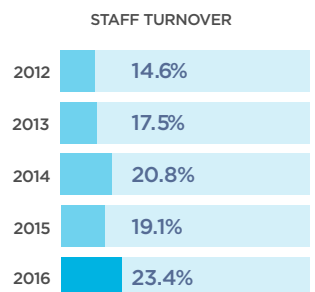
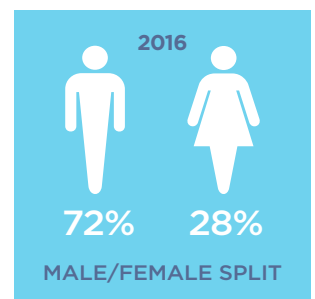
- Creation of a suite of mandatory and developmental e-learning courses.
- Development and implementation of management development training, tools and guidance.
- Development of site manager training programme.
- Review and development of succession planning framework.

### Communication

We encourage the sharing of good practice through regular meetings across a number of disciplines and divisional management teams often visit other regions to exchange information on issues of importance, including new materials or build techniques, new house type designs, training and new working practices.

InTouch, an external third party company, provide Bellway with a confidential reporting service known as SpeakUp, allowing our people a confidential way of raising concerns anonymously, should they wish to do so.

We also publish an internal Bellway newsletter to keep our 2,000+ people informed about news, issues, initiatives and events across the Group, with local newsletter 'reps' in each division.



## 5.1 Bellway Employees

### Employment Policies

We believe in treating all our employees and contractors fairly and responsibly. We have policies and procedures in place to ensure that equal opportunities are provided to all existing and prospective employees of Bellway, irrespective of age, colour, disability, ethnic origin, gender, marital status, nationality, parental status, race, religion, belief or sexual orientation.

In addition all employees, whether part-time, full-time or temporary, are treated equally, with all decisions around recruitment, promotion, training (or other matters affecting employment) based solely upon aptitude and ability, as reflected in our Equality Policy.

We also operate a range of additional policies and procedures to safeguard our employees / the company and to provide additional welfare benefits:

Adoption leave policy	Flexible working policy	Time off for dependents policy
Bereavement leave policy	Grievance procedure	Time off for study policy
Bribery policy	Job share policy	Whistleblowing procedure
Bullying and harassment procedure	Maternity leave policy	
Flexible retirement scheme	Parental leave policy	

We act in accordance with the Modern Slavery Act 2015 and we will be publishing a slavery and human trafficking statement for the financial year to 31 July 2016 on our website.

### Employee Benefits

We offer a competitive salary and benefits package, including pension, life assurance and private medical scheme, and in the past year we increased the minimum employer and employee pension contributions for all employees from 3% to 4% of basic pay, helping them prepare for their retirement.

Our employees are able to acquire shares in Bellway through our savings related share option scheme and to purchase Bellway homes at a discounted price. We also support the young families of our employees by promoting the use of childcare vouchers, providing parents with a tax saving, and we work hard to be flexible when considering maternity and paternity leave, including a phased return to work, flexible hours or job sharing where feasible.

## Performance Against 2015/16 Target

**We offer all employees the opportunity to participate in a contributory pension scheme and will increase the company matched contribution from a minimum of 3% to 4%.**



Following consultation with employees, the minimum employer and employee pension contributions were increased from 3% to 4% - contributions rates have now doubled in the past 2 years.

## 2016/17 Targets

**We will increase the number of training days per employee compared to 2015/16 levels.**

**We will develop a more structured and integrated programme for graduates, trainees and apprentices by 2018.**

# Case Study

## Award-winning Apprentices

Tyler Monk, an 18-year-old apprentice at Bellway East Midlands, has won several awards for his carpentry skills, academic studies and project based work. Attending West Nottingham College, Tyler has received distinctions for his practical and theory work in every subject where available, and has been named 'Apprentice of the Year' for his second years' work as well as and 'Student of the Year'. Tyler also recently represented West Nottingham College in SkillBuild 2016 where he came second for his carpentry talents against other apprentices from colleges across central England.

Jack Morley, also in the East Midlands, has been awarded entry to the coveted Barry & Peggy Foundation Scholarship through Central College Nottingham. Jack began working for Bellway 2014 and was awarded the scholarship for the exceptional quality of his workmanship and practical application of theoretical knowledge demonstrated both at college and onsite.

Tyler and Jack are just two of the many apprentices we employ at our sites across the country, and we have supported the Construction Youth Trust for the past 18 months as one of our two nominated national charity partners. The charity works with disadvantaged young people, helping them to access career opportunities in the construction industry.

## 5.2 Charitable Giving



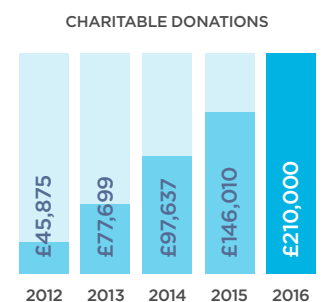
As a responsible business, part of our ethos is to support both the local communities where we build as well as those sections of society less fortunate than ourselves.

2015/16 saw a total of £284,704 donated to charities, community groups and local good causes, an increase of 55.1% on last year (2014/15 - £183,540). Corporate donations, matched and top-up funding totalled £210,000 (2014/15 - £146,010), up 43.8% on last year, while employees raised £74,704 (2014/15 - £37,530), up 99.1% on last year.

### Charitable Focus

The past two years have seen a marked change in the way we manage our charitable engagement, with our focus now split across three key areas:

- Supporting national charities - each year we enter into partnership with charities who benefit from direct donations and employee fundraising.
- Supporting our divisions - each operating division (and Head Office) manages a separate budget to support local charitable and community causes.
- Supporting our employees - we 'match' fundraising for our national charity and 'top-up' employee fundraising undertaken for their chosen causes.



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## 5.2 Charitable Giving

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### National Support

In 2015/16 our national charities were:

- British Heart Foundation - the UK's national heart charity and the largest independent funder of cardiovascular research.
- Construction Youth Trust - working with disadvantaged young people, helping them to access career opportunities in the construction industry.

Employee fundraising for these two charities was 100% matched by Bellway and through a combination of fundraising, matched funding and direct donations, we successfully donated £159,228 to these two great causes this year. This brings the total donated since the start of the partnerships in January 2015 to £265,117.

In the coming financial year we begin a new partnership with Cancer Research UK and with the continued help of our generous employees we hope to raise over £100,000 over the next 12 months for this charity which is close to the hearts of many of our employees.

### Local Giving

Each of our divisions has an annual budget which is used to support local charities, community groups and other initiatives while other local charitable support is allocated from Head Office under the direction of our Charity Committee. In 2014/15 over £60K of our total charitable donations was directed to local good causes, with employees contributing another £41K.

We also financially support the running of a breakfast club in a local primary school in Newcastle upon Tyne as part of the Greggs Foundation Breakfast Club programme, as well as making small donations through the Community Foundation of Tyne & Wear and Northumberland.

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## Performance Against 2015/16 Target

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**We will continue to improve employee engagement on charitable activity, aiming to donate over £100,000 to our national charity partners through a combination of direct donations, employee fundraising and matched funding, while increasing our annual charitable budget in line with earnings, year on year.**



Fundraising and donations were £159,228 for the year, bringing the total across the 18 month partnership to £265,117. In total the company donated £210,000 to charities and good causes, a 44% increase on 2014/15.

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## 2016/17 Target

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**We will engage with our employees and Cancer Research UK with the aim of raising and donating over £100,000 to the charity in the 2016/17 year.**

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# Case Study

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## Breakfast Club

Bellway, in partnership with the Greggs Foundation (the corporate charity of Greggs plc, also based in Newcastle), is funding a breakfast club for children in a north east primary school. The club is at Cheviot Primary School, Newbiggin Hall, which is in an area of significant deprivation and over 54% of the school's pupils are eligible for free school meals.

The benefits of a healthy breakfast are well-known, but not every child gets one before school. Research has shown that children who do attend breakfast clubs have improved health and nutrition, improved attendance and punctuality, are able to socialise and make friends more easily and are able to concentrate better in class, leading to better academic results.

Through Bellway's support, children at Cheviot Primary School will benefit from a free nutritious breakfast to start their school day. Volunteers from Group and the North East Divisions visit the school on a weekly basis to help out in the club and spend time with the children.

The club was launched by Rob Armstrong (North East Sales Director) and Maria Seed (Group Sales Director) on the 13th November which just happened to be Children In Need day, so a very special guest made an appearance, much to the delight of the children!



## 5.2.1 Charity Policy



Bellway is committed to supporting the communities in which it operates and this includes financial support to registered local and national charities.

The main charitable budget is allocated at Head Office under the direction of Bellway's Charity Committee. This comprises both small donations to local charities, across the Group's areas of operation, as well as any larger donations to the national charities Bellway may choose to support each year.

We are also keen to support charities which are connected with the construction industry, as well as charities with which our people are personally involved. Our aim is to support causes which can make a real difference to local communities across the country, in particular charities which operate in the following sectors:

- Health; Young People; Older People; Housing and Homelessness; Environment; Community Welfare.

We undertake our charitable support in a number of ways:

### 1. Supporting our divisions

Each of our divisions has an annual budget which they use to support charitable and community causes within their area of operation.

### 2. Supporting our employees

In recognition of the valuable efforts our employees make to raise funds for charitable projects, Bellway has committed to set aside funds in each financial year to match / top-up their fundraising efforts for our national charity partner as well as other local and national charities and good causes.

### 3. Supporting national and local charities

In each financial year we aim to enter into a partnership with one national charity, making direct financial contributions and matching employee fundraising. Bellway's chosen national charity partner for the 2016/17 financial year is Cancer Research UK.

In addition to the support for Cancer Research UK, Bellway will respond to direct requests from local and national charities and community groups for smaller donations, as well as operating a fund through the Community Foundation of Tyne & Wear and Northumberland that supports local north east charities.

Please note that Bellway does not provide support for religious organisations (unless they can demonstrate that services are provided to the wider community), organisations that operate discriminatory practices (with respect to employment or the provision of services) or political organisations / candidates / programmes.

Requests from registered charities seeking small donations (of around £500) should be sent by email to [charities@bellway.co.uk](mailto:charities@bellway.co.uk). These will be considered on a quarterly basis, and only those charities selected will be contacted.



## 5.3 Health and Safety



The well-being of all who interact with our sites is of the highest priority. We continue to actively promote safe working on all our sites through the use of training, toolbox talks, informal and formal inspections and best practice forums. We also encourage our workforce to communicate with us on any areas of concern regarding health and safety.

### Health and Safety Monitoring on Sites

A team of highly qualified, experienced and professional Health and Safety Managers oversee health and safety provision and practice on Bellway's sites. The team meets on a quarterly basis with the Group Chief Executive to discuss performance and co-ordinate on-going campaigns.

Each division is allocated to a member of the health and safety team, who then undertakes site inspections, provides advice on legislative requirements and best practice and is a liaison between Bellway and external parties such as the Health and Safety Executive (HSE) and the NHBC.

Slips, trips and falls continue to be a focus area, with on-going training to help our workforce and management identify the risks, determine the right course of action, and undertake work to eliminate the risk. We are also participating in occupational health risk reduction schemes in order to determine which are most beneficial, with the view to roll them out across our company.

The NHBC are contracted, as third party advisers, to visit and provide a report on every working site at least once a month, and more frequently on busier sites. Sites are given a numerical score depending on the level of risk identified and this score allows Site Managers and senior management to allocate appropriate resources and prioritise tasks.

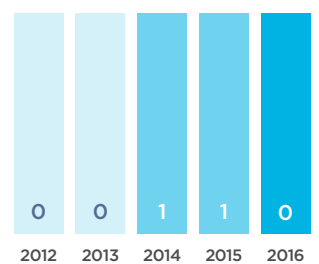
### Health and Safety Performance

We are proud that Bellway continues to be recognised as amongst the best and safest in the industry with our Site Managers winning five awards in the 2016 NHBC safety awards, two of whom went on to achieve Highly Commended awards. The benchmark for these awards is raised every year, as what was once considered exceptional practice becomes common practice. Therefore these Site Managers have demonstrated they are continually improving their working methods, managing their risks, and taking every day as a new opportunity to improve the working environment for everyone.

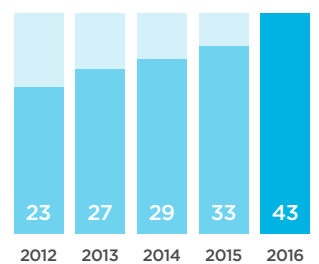
We set ourselves a target to achieve an average NHBC health and safety incident rate of 0.986 for the year, where a lower score reflects fewer reportable health and safety issues raised. With increased production and site activity across the year, this was a challenging target. Our health and safety and site management teams continued their excellent work and delivered an NHBC incident rate of 0.766 (2015: 0.936), the third year running we have seen an improvement, and our score is now 6 times better than the industry average of 4.721.

It is therefore somewhat disappointing that our RIDDOR incident rate rose for the first time in 4 years, up 3% to 445.19 accidents per 100,000 site operatives (2014/15 - 430.75). We have identified 'slips, trips & falls' as the most frequent reason for reportable incidents and so increased focus will be given to this area in the coming year, with a specific target to deliver briefings on this issue at 100% of sites.

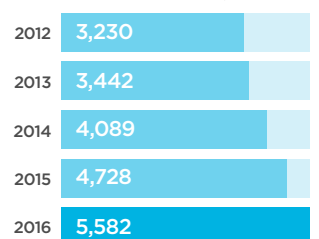
NUMBER OF HEALTH AND SAFETY PROSECUTIONS



NHBC (NATIONAL HOUSE-BUILDING COUNCIL) PRIDE IN THE JOB AWARDS



NUMBER OF SITE WORKERS WITH CSCS (CONSTRUCTION SKILLS CERTIFICATION SCHEME) CARDS



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## 5.3 Health and Safety

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### Health and Safety Training

Bellway Site Managers play a vital role in delivering these high standards and our Health and Safety Policy requires all Site Managers to complete and maintain qualifications in first aid, scaffold appreciation and the nationally recognised Site Management Safety Training Scheme. The appointment of a Group Learning and Development Manager this year will further improve the monitoring and delivery of training across the Group and help to ensure all employees remain in compliance with our training matrix.

In addition, we invest significantly in training to improve on-site risk awareness and this year an additional 64 site based managers gained their Level 6 NVQ Diploma in Construction Site Management, bringing the total number of site based managers with NVQ Level 6 (or above) to 206, a 46% increase on last year.

We believe that by investing in people we are making it possible for skilled employment to flourish. We directly employ 61 apprentices and each young worker is partnered with an experienced team member to teach them not only their chosen trade, but also how to work safely on site. We also encourage apprenticeships through our sub-contractors and actively support training on our sites.

### Safety of our Customers and Members of the Public

Our customers are briefed on health and safety procedures, via information in their New Home Pack, as well as verbal briefings from the Sales Advisor / Site Manager during the home demonstration before moving into their new home. Additional information in the form of signage around the site is also provided to aid customers' awareness of risk as the site build progresses.

We often visit schools or local businesses when we are building nearby to encourage a greater understanding of the risks associated with construction and also to encourage robust communication between all parties.

### Sub-Contractors' Safety

We check our all sub-contractors before allowing them to commence work on a Bellway site. This is designed to cover a number of issues, including health and safety. Our entire site workforce has to be fully qualified under the Construction Skills Certification Scheme (CSCS) or equivalent and this is monitored every six months through a national audit. In 2015/16 5,582 of our direct employees and sub-contractors held CSCS (or equivalent) cards.

All sub-contractors must also have been approved under the NHBC's Safemark scheme or the Contractors Health and Safety Assessment Scheme (CHAS) and must provide references and previous accident and prosecution data. We stringently check this data to ensure that all who represent Bellway have the highest health and safety credentials.

### Dust Suppression

We actively promote the use of dust suppression equipment during the construction process to reduce the risk of silica dust inhalation. The latest Home Builders Federation guidance on dust suppression has been rolled out nationally and we continue to monitor this issue to ensure full compliance.

Construction companies all over Britain have been quick to respond to the risk that silica dust poses but we have gone beyond the industry's general response. While silica poses a significant risk, we were also concerned about the risk posed by secondary and treated timbers such as medium density fireboard (MDF), particularly as it is often cut by joiners in confined spaces. On-site analysis demonstrated that dust levels are well within the Working Exposure Limit, prescribed by Regulations.

### Health and Wellbeing

We are keen to encourage our workforce to consider their lifestyle and how it affects their health and long-term well-being. We do this through poster campaigns, providing leaflets and support for quitting smoking, and toolbox talks for significant industrial risks such as skin cancer due to outdoor working, dermatitis, manual handling injuries and leptospirosis. We also support national health campaigns such as 'Stoptober' (a campaign to encourage people to stop smoking in the month of October) and 'Bear It Beat It' (a campaign by the British Heart Foundation to raise awareness of the importance of having a healthy heart).

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## Performance Against 2015/16 Targets

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**We will aim to continue to reduce RIDDOR Reportable Accidents and Incidents per 100,000 employees compared to 2014/15**



RIDDOR rates finished above the previous year's level for the first time in 4 years (445.19 against a target of 430.74). This was due to a high number of reportable incidents in the final month of the year.

**We will aim to achieve a Group National House Building Council Health and Safety score of 0.986 or better**



Our 2015/16 score of 0.766 was the 4th year of improvement and we again finished well below the All Builder Average of 4.721.

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## 2016/17 Target

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We will deliver 'slips, trips & falls' tool box talks at 100% of sites to aid a reduction in our RIDDOR Reportable Accident and Incidents.

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## Case Study

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### Award-winning Health and Safety

Bellway Site Managers won a total of five NHBC Health and Safety Awards in 2015/16, two of whom progressed to achieve 'Highly Commended' accolades, demonstrating the commitment our site teams have towards providing a safe operating environment for our people, contractors and suppliers:

- Highly Commended and Commended - George Carty; Paul Edwards
- Commended - Will Graham; Alan Holmes; Neil McCready

George Carty, Site Manager in Scotland and one of Bellway's Highly Commended winners, implemented a range of activities to ensure safe working conditions on his site:

- Securing the buy-in and involvement of employees and sub-contractors in the planning and formulation of his site's health and safety plan.
- Ensuring 'the basics' were completed to a high standard - welfare facilities; traffic management; pedestrian walkways; informative signage; good access and egress to plots and scaffolds - and then using this base level to drive further improvements to site health and safety.
- Playing HSE health and safety videos in the site canteen on a continuous loop to subconsciously drive home key safety points.
- Requiring scaffold permits for all 'trades' to improve safe working at a height.
- Operating a suggestion notice board for new ideas.

### Occupational Health

Bellway is investing in improving the work environment on its developments and in order to identify the most beneficial initiatives we are undertaking trials on some of our sites. One of the initiatives being trialled includes dedicated cutting shelters for the cutting of timber and bricks. This is designed to allow for the mechanical extraction or 'damping down' of dangerous dusts such as those found in MDF, as well as concrete based products which produce silica dust.

In addition we emphasise the need to wear appropriate PPE in areas where the dusts or other risks cannot be controlled through other methods such as designing it out or undertaking the cutting processes externally. This includes cleaning of plots between trades, where sweeping may cause dusts to become airborne.



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## 5.3.1 Health and Safety Policy Statement

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It is the policy of Bellway to do all that is reasonably practicable to prevent personal injury and danger to the health of all within our employ and others who may be affected by our activities. Employees at all levels, including sub-contractors, are to actively support the company in its efforts to ensure the requirements of the Health and Safety at Work Act and all other relevant legislation.

It is also the policy of Bellway to promote good health amongst employees and be concerned with the prevention of occupational and non-occupational disorders and diseases, including work related stress.

The Company will provide such information, training and supervision, together with appropriate plant and equipment which is suitable and safe for work as may be needed to ensure these objectives are met.

This policy will be reviewed and updated to meet with changes within our organisation and/or legislation by the Group Health and Safety Manager.

## 5.4 Economic Development



The UK house building industry is a key component of the national economy - every 50,000 new homes built adds approximately 0.5% to the national GDP, while every £1 spent on housing puts £3 back into the economy. The industry's contribution to social and economic sustainability has been highlighted in a report commissioned by the Home Builders Federation ('The Economic Footprint of UK House Building' - March 2015), with headline figures including:

- £12.5bn invested in land and building for homes.
- £5.5bn spent in the supply chain, 90% of which stayed in the UK.
- More than 600,000 job created.
- £2bn contribution to public services through tax paid and infrastructure improvements
- £3bn investment in affordable housing.
- £131m invested in open spaces, community, sports and leisure facilities.
- £3.8bn spent in the local economy by residents of new homes.

As the UK's 4th largest house builder by volume, we are committed to helping satisfy the supply/demand imbalance in the UK housing market. We also have an important role in delivering these added-value benefits to local communities and the wider economy through job creation, supporting local businesses via our supply chain, investing in community services and infrastructure and through the provision of high quality homes.

### Employment

A thriving housing market and a prosperous economy are intrinsically linked. When we construct new homes and communities we create direct employment opportunities at Bellway and the strong market conditions during the year has meant further growth in our workforce - we now employ an average of 2,366 people, up 9% on last year (2014/15 - 2,164). We have also continued to increase the number of apprentices and graduates within the business by 14% to 83 people (2014/15 - 73).

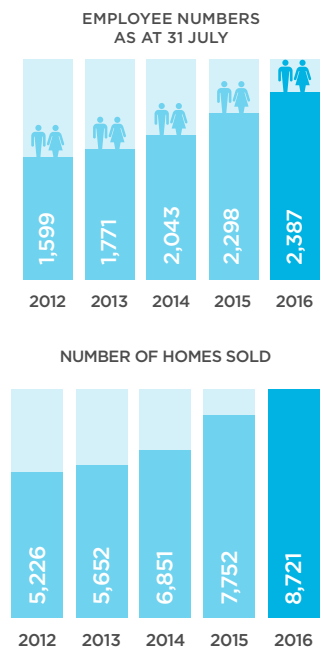
### Suppliers

Our construction activities also provide indirect employment opportunities through our sub-contracting arrangements and companies within our supply chain. These suppliers and sub-contractors are crucial to the efficient operation of our business. We nurture strong and long term relationships so we can optimise the quality and prices of our homes for customers and simultaneously ensure that suppliers and sub-contractors are paid in a timely manner. We support these relationships with our membership of the Prompt Payment Code, recognising our commitment to paying our suppliers within clearly defined terms.

### Customers

A varied range of houses and apartments is important to enable customers to identify the right home for their needs and budget. However affordability is often an obstacle for customers wishing to get onto the property ladder and/or moving up to larger properties as their needs change. The extension of the Government's Help to Buy Scheme in England and the introduction of the London scheme in February has proved to be a huge help to all prospective purchasers and 2,626 of our customers purchased their home using Help to Buy in 2015/16. We also continue to provide a part-exchange service for existing home owners, a facility that can help remove some of the uncertainties surrounding home buying chains, and in 2015/16 7% of our customers took advantage of this service.

Our continued commitment to building sustainable communities saw us deliver 1,376 social homes in (2014/15 - 1,574). This represents 16% (2014/15 - 20%) of our legal completions and helps to support social inclusion within the developments and communities we create.



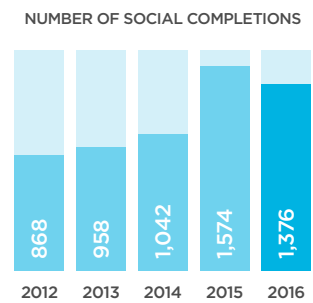
## 5.4 Economic Development

### Shareholders

Our shareholders are key to the long term viability and success of Bellway. We endeavour to maintain a strong dialogue with investors and keep them fully informed of our activities and strategy – our latest annual report and accounts can be viewed [here](#).

Our strategy is to build long-term shareholder value through sustainable growth, combined with a strong focus on the payment of an increasing dividend, together with an ongoing increase in net asset value ('NAV'), arising from reinvestment of retained earnings in order to secure further growth.

For the 2015/16 year, strong trading performance has resulted in the NAV of the Group growing by 18.4% to 1,522p per share (2014/15: 1,286p) and enabled a recommended 40.3% increase in the total dividend for the year to 108.0p per share (2014/15: 77.0p).



## Performance Against 2015/16 Target

**We will aim to deliver at least 5% growth in the number of homes sold, helping address the UK housing shortage.**



2015/16 growth in homes sold was 12.5%.

## Case Study

### North Solihull Partnership

Through our West Midlands division, Bellway is involved in North Solihull Partnership, one of the UK's biggest regeneration programmes aimed at transforming three North Solihull wards through improved homes, shops, schools, transport, health and community facilities.

The Regenerating North Solihull project works almost like a recycling system. Bellway work with Solihull Council to gain planning permission on land within the regeneration area. The resultant development is then valued and purchased by Bellway with the land receipt transferred to the North Solihull Partnership. The money from these sales is put back into the project, providing the funding for new primary schools, Village Centres and improvements to infrastructure and green space.

Key outputs already include:

- The provision of 1,260 new homes, including 685 for registered social landlords – in total 1,655 new homes have planning permission awarded.
- Construction of a new high street, retail units, offices, housing and assisted living scheme in Smith's Wood.
- Enterprise centre and health centre in Chelmund's Cross.
- £3m investment in improving open spaces and play facilities.
- £1.6m investment in social and economic projects.

The partnership has already seen improved employment opportunities with claimant rates for the North Solihull regeneration wards falling from 5.3% to 4.6% (for 18-24 year olds the drop has been from 10.6% to 8.2%). 12 Solihull residents have been offered apprenticeships with Bellway and 47% of the total site labour has been recruited from the local area.

## 5.5 Customer Engagement



For our customers, the pre and post sales experience is central to how satisfied they feel and how likely they therefore would be to recommend the Bellway brand. We aspire to provide the best possible customer experience in order to reinforce our reputation as a high quality national home builder.

Bellway's highly trained and dedicated team of Sales Advisors are the first people our customers meet and are there for help and support from the home reservation stage through to legal completion and beyond. They are always on hand to ensure that the whole home buying process runs as smoothly as possible. Following completion, our [Customer Charter](#) clearly communicates what our customers can expect from their after-sales experience.

### Sales Teams

Senior management, site management, Sales Advisers and customer care teams are trained to an advanced customer service level. This ensures that customer facing employees are equipped with higher level listening and communication skills so that they can better understand and respond to customer needs in a proactive and friendly manner.

Sales teams follow an in-depth induction plan when joining Bellway to ensure that they are trained to the highest level in both sales and customer relations. This is further supported by an ongoing training programme and enhanced customer care training during the year totalled 5,800 hours, ensuring that we continue to offer the best levels of service to new and existing customers.

Bellway sales offices have been redesigned to provide a comfortable, contemporary and pleasant setting for the sales experience, one in which customers can feel relaxed when choosing their new home. Where possible, a showhome is present to provide a sample of the house types and quality of product available.

### Supporting Informed Decisions

Feeling part of a new community and being comfortable in the new environment is an important consideration in choosing where to live. In addition to the assistance provided by the sales teams, we support customers in making the best decision on purchasing a new home in the right location for their needs.

We have listened to our customers when they tell us what local area information they need to know and have compiled it in an easy to use folder which is available to view in sales offices. Along with information specific to the development and purchase process, the 'my space' folders contain a wealth of details about the local area. Each folder is unique to the site location and information will typically include:

- Development details and information on the purchase process.
- Council tax banding and utility provider details.
- Details of schemes available to assist purchase.
- Local amenities (doctors, hospitals, dentists, vets, supermarkets, banks etc.)
- Transport links.
- Schools and colleges, together with their latest OFSTED report.
- Recreational facilities (parks, leisure centres, theatres, youth teams and clubs etc.).
- Local recycling centres information.

Development brochures are available directly from sales offices, by request via telephone and from our website. Stringent controls are in place to ensure that all information given is as accurate as possible and good quality computer generated images are used to provide customers with the best possible impression of how the properties will look, both internally and externally.

We also provide accurate and high quality information regarding the pricing and availability of the developments on our website.

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## 5.5 Customer Engagement

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### Demonstration

Once a property has passed its Quality Control Final Inspection (QCFI), customers are invited to attend a Pre-Occupation Demonstration which takes place prior to legal completion. The Site Manager demonstrates the fundamental workings of the property to the customer over a period of one to two hours. Customers are encouraged to ask questions at this meeting and we aim to supply all the information needed to enjoy their new home once they move in.

### Handover

On the day of legal completion the Sales Advisor and Site Manager show the customer to their new home. Here, they complete a Quality Assurance Form to ensure that the customer is happy with the quality of the home and give the customer their keys. We provide a Customer Handover Pack which contains important information about the home and how to care for it, together with the manuals and guarantees for products fitted to their home. We realise that this is a special occasion for the customer and we work hard to make it as memorable as possible. Our [Customer Charter](#) sets out what our customers can expect from Bellway.

### Continuous Improvement

We are committed to continual improvement across all of our operations and have set stretching targets to ensure delivery to the highest standards. We take our customer service and quality standards very seriously. We use the Home Builders' Federation New Home Satisfaction Survey results to help us measure the degree of satisfaction with our service. Owners of new homes are asked a series of questions to determine how happy they are with the quality of their home and the customer service they received, from first visiting the sales office to the day they moved in and beyond. Based on these factors, customers are asked how likely they are to recommend Bellway to a friend. These measures are used to define and improve standards across our business.

By listening to our customers we can identify where we need to raise our performance, and can quickly ensure procedures are put in place to make the necessary changes. Procedure training, spot checks and 'mystery shopping' help to reinforce higher standards and ensure that new procedures quickly become established practice.

### Customer Satisfaction

The results of our customer satisfaction survey for overall satisfaction, measured across six key performance indicators, saw Bellway score 85.7% in 2015/16 against a target of 83.8%. The feedback received from customers is invaluable not only with regard to improving the level of service provided but also in respect of house type designs, features and more generally what is important to a customer when considering a new home.

Bellway constantly reviews its extensive Customer Care Procedure which, supported by regular audits and training programmes for employees, ensures that we maintain and seek improvement on our high standards.

The Home Builders' Federation (HBF) carries out New Home Satisfaction Surveys for all new home owners. We again narrowly missed out on regaining our 5 star rating, but year-to-date scores for the current year are encouraging and we hope to regain our 5 star status when the results are announced in March 2017.

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## Performance Against 2015/16 Targets

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**We are committed to maintain our status as a 5 Star Builder, reflective of our commitment to providing high levels of customer satisfaction.**



We narrowly missed regaining our 5 star housebuilder status.

**We will aim to achieve an overall customer satisfaction score of at least 83.8%, by reference to a broad based measure comprising six performance criteria.**



Our 2015/16 score was 85.7%.



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## 2016/17 Target

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We will deliver high levels of customer satisfaction and aim to achieve '5 Star Builder' status for the 2016/17 year.

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## Case Study

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### London Festival of Architecture

As part of the London Festival of Architecture, Bellway hosted a 'Meet the Architects' event at Thames Gateway's The Residence, part of the Nine Elms South Bank regeneration scheme in Vauxhall. People with an interest in design, architecture, engineering and residential development came along and learned about the process of transforming a two-dimensional design into a place someone can call home.

The event gave visitors an exclusive tour of the live building site and access to the expert team responsible for the distinctive structure. As well as an opportunity to see the original plans, visitors were able to discuss how these have translated from paper into practice, with the team of architects who masterminded the design.

## 5.6 Creating Sustainable Communities



Creating communities is about more than putting together bricks and mortar. Our developments include private housing, affordable housing, mixed-use and mixed tenure, ensuring we create balanced communities for people to live in.

In creating new developments we aim to improve the overall health and well-being of the area by incorporating recreational and community facilities into development plans. We also work with local partners to bring added value to development schemes, which may include employment and training opportunities for local people. In summary, Bellway delivers all the ingredients to create truly sustainable communities.

### Planning

The way in which we plan new communities can have a significant effect upon their social and economic fortunes, whether it is the regeneration of an existing community or the development of a new one. Throughout the planning process we work closely with local councils and residents to address any issues of concern and ensure the scheme is beneficial to the local community.

### Investment

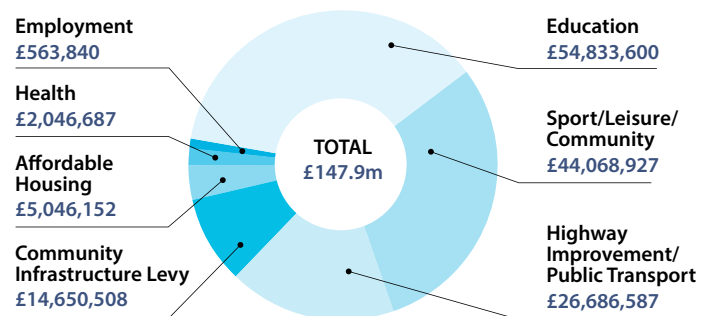
In addition to the construction of new developments, we make considerable investment in the local communities where we build through Section 106 and Community Infrastructure Levy payments. In 2015/16 we committed to a total of almost £148 million investment to support education initiatives, transport and highway improvements, health facilities and the provision of open spaces, helping to create new sustainable developments integrated into the wider existing community.

### Integration

The successful integration of buildings, transport routes and landscapes as part of a new development lies at the heart of creating a sustainable community. The central tenets of our approach are specifically to:

- Create a diverse environment with its own identity, offering a range of uses and experiences.
- Design public spaces which prioritises the pedestrian over the car and which promotes the extension of existing and accessible transport routes.
- Create a strong definition between public and private places or areas.
- Construct developments in such a manner as to enhance and preserve the local environment.
- Design buildings which incorporate a diversity of forms to reflect a rich variety of home types.

SPLIT OF SECTION 106 PAYMENTS



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# Case Study

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## Regeneration

The Alway area of Newport, while just a few minutes from the Celtic Manor 5 star golf & leisure resort, is an area of significant deprivation. Bellway has worked in partnership with Newport Council and Pobl Housing Association to regenerate the area with the construction of 240 new homes, a mix of private, low cost and rental housing.

Bellway, along with other stakeholders, has been a member of the Steering Group Committee set up by Newport Council to oversee all elements of the redevelopment and we have maintained a close ongoing relationship with Alway Community Council since the commercial elements were handed over.

The 10 year project is due to complete in 2017 and has included the construction of new police station, chemist, post office and supermarket, as well as a new community centre and multi-use games area.



## Affordable Housing

Heatherstone Grange is a development on the outskirts of the New Forest National Park. The development of any site located on green belt land, but especially adjacent to a National Park, requires sensitive treatment and good working relationships with the local community and the local authorities. Working closely with the parish and district council, a proposal was brought forward which won the support of the local community, with the proposal attracting nearly 40 letters of support.

Speaking in support of the application Cllr Pat Wyeth, who is also Chairman of the National Park Authorities planning committee said: "The applicants are providing affordable homes for local people and as much green space as they possibly can." Construction began in October 2015, just as the Government introduced the 'Starter Home Initiative'. This is a national programme intended to deliver 200,000 homes to first time buyers and Bellway, working closely with New Forest District Council, agreed to designate half the affordable housing as 'Starter Homes'. These are to be sold at 80% of market value to first time buyers aged between 23-40 years old or current or former members of the armed services injured in service or partners of those who died in service.

The pioneering of the Government's 'Starter Home Initiative' prior to its full implementation required an innovative approach on the part of both the council and Bellway. An agreement was reached which is flexible and allows for delivery of Starter Homes in line with the current Government thinking. However, if required, alternative home ownership options such as shared ownership can be offered to ensure the timely occupation of these new homes.

## Father Hudson's

The Bellway West Midlands Division was the lead developer on a residential led mixed use development of the Father Hudson's Society headquarters in Coleshill. The redevelopment of the site was required to facilitate the construction of a new modern office building for the charity to progress their work as the social care agency of the Archdiocese of Birmingham, as well as providing ten new apartments for adults with learning disabilities.

The proposals had sensitive heritage considerations based around the demolition of buildings within the Coleshill Conservation Area. Bellway and its development partners carefully managed a comprehensive community consultation process working closely with the general public, the Town Council, the Borough Council, and Historic England. This delivered a sensitively designed and high quality scheme which gained the support of the local community.



A huge part of the success of the scheme is that in providing much needed housing, the proposals were able to respect the heritage of the Conservation Area and the wishes of the local community, whilst enabling the Father Hudson's Society to remain in Coleshill in modern premises fit for purpose to run their charity.

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**Bellway**