



# MP's call for more modern methods of construction

The UK's Housing, Communities and Local Government Committee says that the government will not be able to meet its own ambitious target of building 300,000 homes a year by the mid-2020s by using traditional methods alone. Instead, a "significant proportion" of homes must be built using what are known as modern methods of construction (MMC).

The committee's inquiry, which has just published its findings, focused on the benefits of using MMC to build homes, as well as the barriers that prevent greater take-up. It sought to address those barriers and make recommendations that will help the industry to overcome them.

The committee urged the government to unlock the potential for modern methods of construction to build homes more quickly and more cheaply, while maintaining build quality.

The committee set out a list of recommendations to ensure that the government can meet its targets:

## “Coordinated Strategy”

The Ministry of Housing should report the total amount allocated to MMC developments every year across all its different funding streams, and implement what it called a “coordinated strategy” across all relevant government departments to increase MMC homebuilding.

The Ministry should also track how much of its total spending on housing goes towards MMC developments. It should put in place a coordinated strategy with other government departments that oversee schemes such as construction skills provision and research and development, to increase MMC housing output.

To evaluate the impact of this strategy, it should monitor how many homes are built using MMC annually.

## Durability

The lack of long-term data on the durability of MMC homes in the UK is a “considerable barrier” to players in the industry engaging with MMC housing schemes. Financial service providers, including insurers, mortgage lenders and valuers need to know that MMC homes are safe and durable if they are to fund them.

The Government should develop a digital database that records the design, processes and materials used in the construction of buildings. It should be possible to create a database that will store and track data, and record the materials and processes used in the construction of homes. It could also track repairs and alterations in larger housing developments and make this information available to relevant stakeholders, including insurers and

## Digital Technology

Homebuilders should use more digital technology, and not simply move construction off-site.

Although there is some disagreement about which methods should come under the heading of MMC, to take advantage of the predicted benefits, such as improved quality, homebuilders need to use more digital technology.



## Set of Standards for Warranty Providers

It welcomes the proposal for an “MMC Scheme” that would set out a single set of standards for warranty providers against which to make decisions.

Currently, warranty providers set their own standards against which to assess homes. The “MMC Scheme” which is being developed by the MCHLG Joint Industry Working Group will provide financial service providers with more certainty about the quality of MMC homes.

## Skills Programmes & Apprenticeship Schemes

The Government must ensure skills programmes and apprenticeship schemes give learners the skills they need for both traditional techniques and MMC, and helps to encourage more young people into the sector.

The shortage of workers with relevant skills is one of the main constraints to increasing homebuilding in the UK. It is vital that the government increases skills training and provision, and turns homebuilding into a desirable career choice for young people.

## Access to Land

Helping homebuilders with access to land for development is key if homebuilding rates are to increase, said the committee. Homebuilders say the lack of access to land is a profound constraint to increasing housing supply. It is even harder to access privately owned land for MMC developments than traditional developments. The government should help MMC homebuilders to access land that it controls so that they can increase their overall delivery of homes and shore-up demand for the supply chain.

## Review Building Regulations

The Government should urgently set out a clear plan for the review of the building regulations, including the whole suite of what are known as Approved Documents, and consider how they relate to MMC buildings. The current system of building regulations is confusing, and homebuilders say it is difficult to apply the guidance to MMC buildings.

## Robust Supply Chains

There is a lack of robust supply chains for MMC homes. The Government should therefore help to aggregate demand for MMC products to provide certainty and allow businesses in the supply chain to invest in factories to produce the necessary components and machinery.

The committee said that Local Authorities need to start building homes in far greater numbers than they have done in recent years. In the past, Local Authorities have been major homebuilders and have contributed significantly to the total number of homes delivered. If Britain is to get close to delivering the promised 300,000 homes per year, Local Authorities must supply a significant proportion of them. Social housing is particularly well suited to MMC because it often includes large numbers of houses built to similar specifications, which reduces unit costs and provides certainty of demand to the supply chain.



## Energy Efficiency

The building regulations should also set more stringent energy performance targets for homes to take into account achievable levels of energy efficiency.

At present, many new homes do not achieve the high levels of energy efficiency that are possible with MMC. The Government has set a target to eradicate the UK's net contribution to climate change by 2050 and the built environment has a major role to play in achieving that target. Lots of Local Authorities have responded by declaring Climate Emergencies... We more than 100 have done this so far. They need help to realise this as innovation in house building has been very slow with little investment in R&D.

## Finance

If current schemes are insufficient to provide the finance needed to increase the output of MMC homes, new schemes aimed at MMC developments should be considered. MMC homebuilders require capital upfront to pay for factories and assembly lines. This presents the biggest barrier to SME homebuilders that do not have the reserves to draw on to invest in MMC.

Private investors are cautious about investing in innovative methods of construction, so the Government should ensure it is enabling homebuilders to access the finance they need for MMC.



Contact Osborne to discover more about how component-led design can simplify the supply of new housing.

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