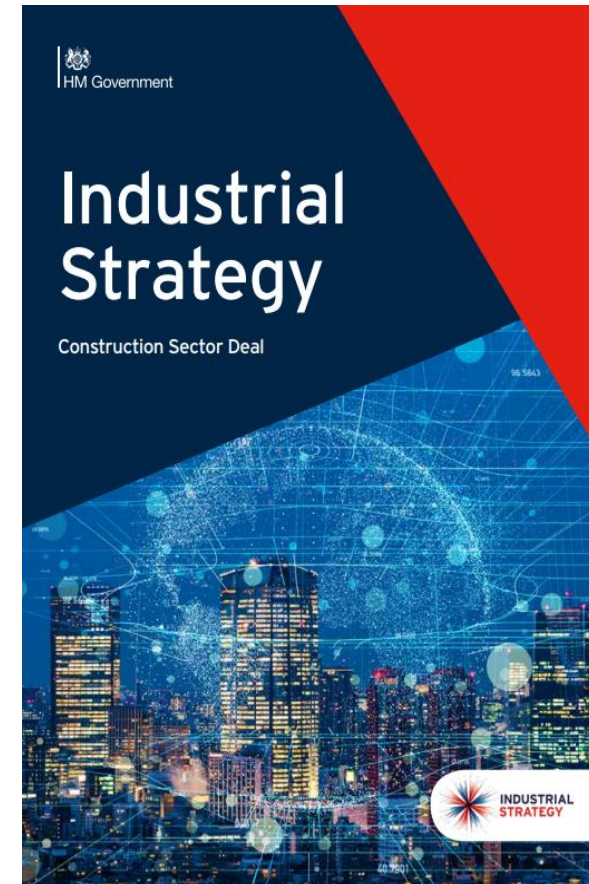


Sheffield City Region

MODERN METHODS OF CONSTRUCTION

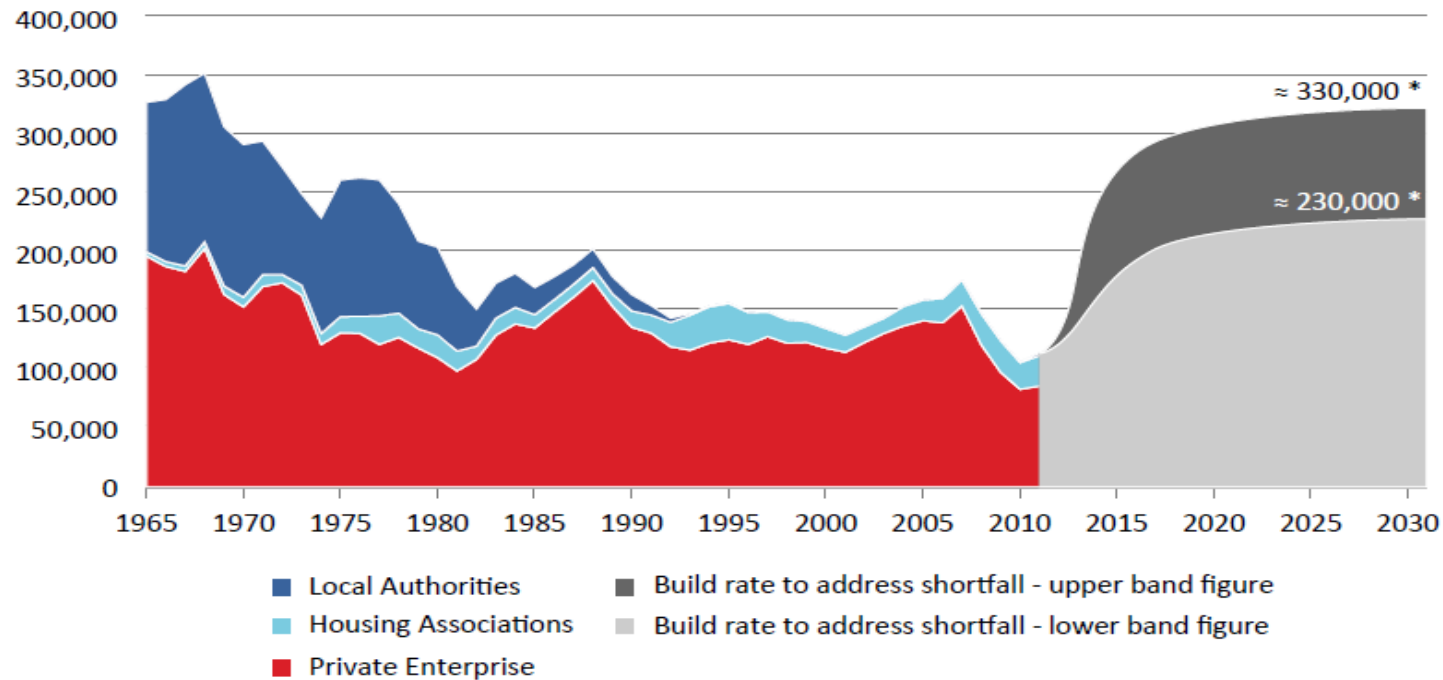
**SCR HOUSING BOARD
29 AUGUST 19**

THE LANDSCAPE – THE CASE FOR OFFSITE



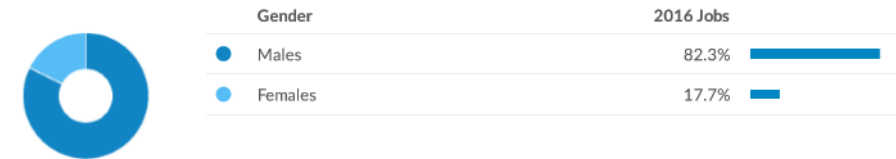
THE LANDSCAPE – THE HOUSING NEED VS SKILLS SHORTAGE

Required build rate to make up for dwellings shortfall (England)

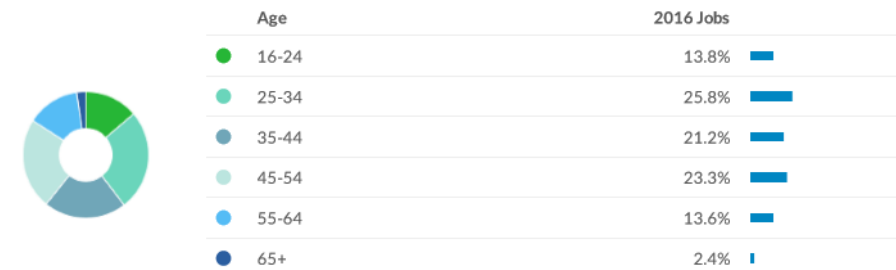


Source: DCLG, own calculations

National Industry Gender Breakdown

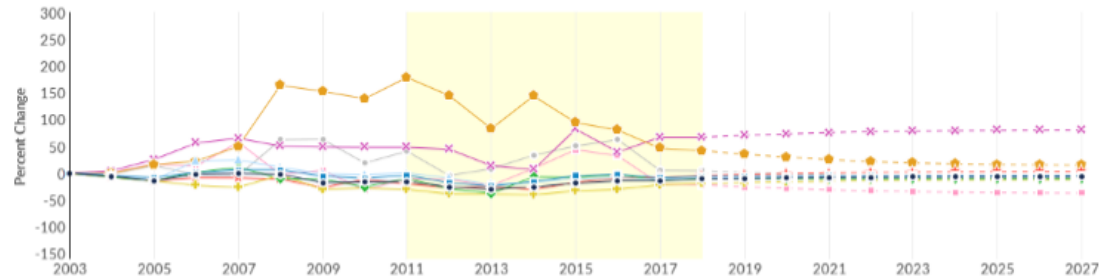


National Industry Age Breakdown



- Huge national challenge to meet government target of c300,000 a year by mid 2020s
- Dwindling uptake of construction in age range 16-24 means a building national construction skills shortage

THE LANDSCAPE – SCR CONSTRUCTION & MANUFACTURING SKILLS



Region	2011 Jobs	2018 Jobs	Change	% Change
● Region	27,810	29,292	1,482	5.3%
■ Sheffield City Region	38,288	37,429	-859	-2.2%
▲ Sheffield	9,994	9,138	-856	-8.6%
◆ Barnsley	4,545	4,552	7	0.2%
+ Doncaster	6,924	8,027	1,103	15.9%
★ Rotherham	6,347	7,576	1,229	19.4%
⬠ Bolsover	2,202	1,120	-1,082	-49.1%
✖ Derbyshire Dales	1,690	1,905	215	12.7%
● North East Derbyshire	2,167	1,605	-562	-25.9%
■ Chesterfield	1,671	1,450	-221	-13.2%

	Sheffield City Region (Employee Jobs)	Sheffield City Region (%)	Yorkshire And The Humber (%)	Great Britain (%)
Total Employee Jobs	744,000	-	-	-
Full-Time	499,000	67.1	67.1	67.5
Part-Time	245,000	32.9	32.9	32.5
Employee Jobs By Industry				
B : Mining And Quarrying	500	0.1	0.1	0.2
C : Manufacturing	90,000	12.1	11.5	8.2
D : Electricity, Gas, Steam And Air Conditioning Supply	2,250	0.3	0.3	0.5
E : Water Supply; Sewerage, Waste Management And Remediation Activities	4,000	0.5	0.7	0.7
F : Construction	37,000	5.0	4.8	4.8

- SCR has a strong manufacturing and construction skills base that is above the national average
- Opportunity to leverage existing skills and attract more people into both con. & manf to capitalise on MMC?

MMC – SCR CONTEXT

MMC Manufacturers within 50 miles of SCR

- **Ilke Homes** – Knaresborough
 - Capacity 2,000 homes per year
- **Urban Splash** – Alfreton
 - Capacity 400 homes per year
- **Laing O'Rourke** – Worksop
 - *Future* Capacity 3,000 homes per year
- **Legal and General** – Leeds
 - Capacity 3,000 homes per year

Despite capacity, only c3,000 volumetric units were manufactured last year in the whole UK.

The size of the potential market is c100,000 a year so lots of scope for more manufacturing within SCR!

MMC will likely be highlighted in the refreshed **SCR SEP and LIS** as a significant strategic opportunity to capitalise on an emerging market



MMC – SCR CONTEXT

Advanced Manufacturing, Innovation and R&D

- The SCR Global Innovation Corridor links well with MMC and the region could be a hub for the cutting edge manufacturing techniques as the industry and market matures.
- **Collaborative Innovation and Strategic R&D in the Offsite Volumetric Housing Sector** was held this month at the AMRC.
- Manufacturers keen to see **LA/HA collaboration** to standardise the product they buy and drive demand
- **SCR local pipeline** of opportunity would help them to grow and invest locally in skills and training.

Skills and Training

- First nationally recognised CITB offsite qualification will be launching Oct 19
- Manufacturers at present have developed their own courses and apprenticeships
- SCR has **37,000 construction jobs**
- MMC could futureproof and expand this base
- Links to advanced engineering
- **Potential to become a hub for offsite skills**



BARRIERS TO MMC GROWTH

Market Demand

- Not consistent
- Slow uptake

Site Availability/ Viability

- No requirement for MMC
- Perception MMC costs more time/ money to implement

Planning Policy

- No NPPF requirement to encourage demand

Developers Doing MMC

- Limited MMC solutions i.e timber frame/ roof cassettes/ light gauge steel

Orders of residential MMC

- Reputation of MMC in market

Warranties + Financial

- Disjointed market/ continuous reviews stalling innovation

Funding for Schemes

- Possible Homes England backing with enhanced SOAHP fund
- Not well advertised/ consistent?

Planning Approvals

- Fragmented market
- Extra time, every time?

Skills + Training

- New systems, new process – end to end upskilling required

Outputs MMC Homes

- No targets or joint vision

MMC – WHAT COULD DRIVE MMC DEMAND IN SCR?

Planning Policy

- Local/ National % of MMC

Local Authority Land

- MMC first?

Council House Build Programmes

- Standardised public sector build specification across SCR
 - Energy efficiency/ renewables (fuel poverty)
 - ‘No gas 2025’
 - Space standards
 - M&E solution
 - **Homes for the North have a pilot underway**

Aggregate demand across LAs and HAs

- Coordinate a consensus on specification
- Help smaller LAs/HAs gain better value from the market
- Help de-risk MMC through collaboration



MMC – WHAT ROLE COULD LOCAL AUTHORITIES PLAY?

- Commit increasing % of MMC on council new build
- Work to standardise key specifications to drive demand
- Strategic approach to sites - commerciality (life costs + benefits)
- Accepting lower land values to encourage MMC
- Consult positively with members
- Commit to formally promote and facilitate MMC
- Collaborate with SY + SCR
- **Be bold**
- Set local targets
- Delivery SCR MMC contribution
- Commit % of HRA to MMC
- Develop/ accept BCR for promoting MMC
- Monitor MMC as a KPI
- Prioritise CPD of LPA officers for MMC
- Make local linkages between colleges, CITB, developers
- Make best use of existing UTC, Barnsley Hub
- Condition land sale/ planning on use % of MMC trainees
- Carry out uniform monitoring



MMC – 1ST SCR MMC WORKSHOP

- Held 3rd July
- 6x Housing Associations
- 8x Local Authorities
- SCR MCA

AIMS:

- Update on the MMC market
- Share organisations MMC progress and ambitions
- Discuss next steps

QUESTIONS & DISCUSSION

Sheffield
City Region

Questions and discussion

- Would a drive on MMC benefit SCR and what are the benefits/ dis-benefits?
- How could SCR drive MMC demand?
- How would an SCR MMC collaboration work?