

SQW

MMC in Greater Lincolnshire: Action Plan

November 2022

Prepared on behalf of



Context

Context for the Action Plan

- This Action Plan has been developed as a second stage to this study following the development of a robust evidence base during Stage 1.
- Stage 1 comprised quantitative and qualitative analysis and review of sectoral, demand and supply drivers of residential development and construction in Lincolnshire, as well as broader analysis of the MMC sector in a Lincolnshire and wider context.
- Stage 1 also incorporated targeted consultations with a range of stakeholders engaged in the residential development sector in Lincolnshire including developers and housebuilders, contractors, Registered Providers, further education (FE) and higher education (HE) institutions, local authorities and Homes England.
- Key outputs from Stage 1 included distilling the salient context, undertaking SWOT analysis, identifying the rationale for intervention and proposed strategic objectives to form the basis of a SMART Action Plan – all tailored to a Lincolnshire context.
- Following the conclusion of Stage 1, a longlist of potential interventions was developed and workshopped with the client group and a number of the stakeholders consulted during Stage 1 and which forms the basis of this Action Plan

Purpose of the Action Plan

- This Action Plan has been developed to provide **a framework for guiding future interventions to catalyse and promote the use of Modern Methods of Construction (MMC) in Lincolnshire**, and which could be implemented by the organisations comprising the commissioning group for this study, in collaboration with other public, private and third sector stakeholders.
- This study and its associated Action Plan has been commissioned by a consortium of public sector bodies across Greater Lincolnshire including districts, boroughs, unitary and county councils.
- Ultimately, in implementing this Action Plan, there will be **a geographic dimension to many of the identified interventions** – not all will be relevant to each and every authority area, reflecting the diversity of Greater Lincolnshire in terms of barriers to delivering MMC and potential opportunities, as well as the priorities and resourcing decisions of individual authorities. **Some interventions will require collaborative working** – both within the commissioning consortium and alongside other third parties; other interventions are less reliant on collaborative working. **Some of the interventions will require greater levels of resourcing and investment** to deliver than others. Interventions are also **differentiated in terms of the identified timeframes for their delivery and impacts**.
- Within this context, this Action Plan and its evidence base is presented as **a contextual framework to support the future targeting and promotion of specific interventions and future work to develop the associated business cases** by the commissioning consortium members, working with other stakeholders, where relevant.

MMC in Lincolnshire: Context

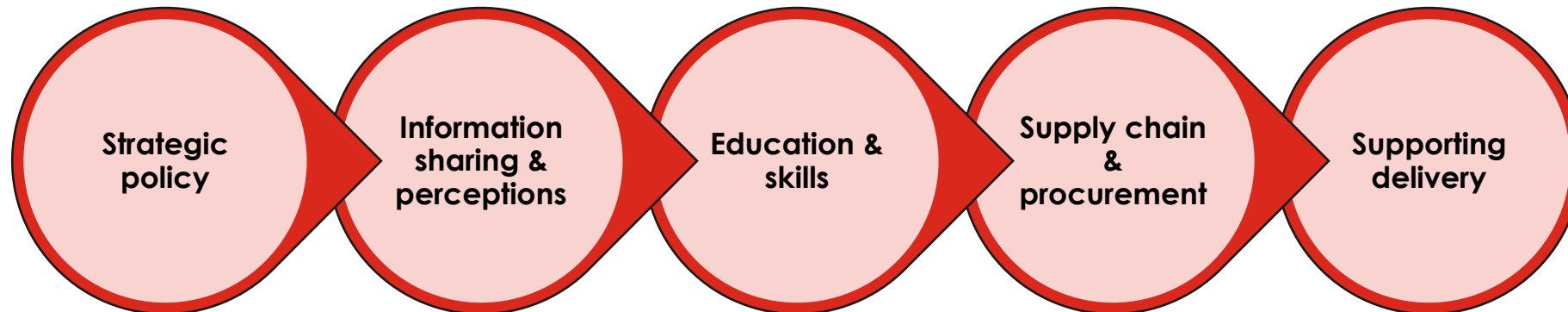
- **The UK's construction sector faces a number of significant challenges:** an ageing and declining workforce, insufficient new and skilled entrants being trained to join the workforce, and stagnating productivity in the context of both a housing crisis and the ever-worsening climate emergency.
- **Several climate emergency driven legislative drivers will begin to significantly influence housing delivery** across the UK: Future Homes Standard in 2025 and the UK Government's 2050 net zero aspirations.
- Modern Methods of Construction (**MMC**) **are a policy priority for the UK Government.** Utilising off-site manufacturing technologies and systems to **deliver homes at scale, more quickly, cheaply and sustainably is the central challenge for the sector**, including for Lincolnshire.
- **The MMC sector nationally is still relatively in its nascency and whilst it is growing** – with a wide range of products, technologies, manufacturing systems and delivery models in evidence - there remain a number of **key barriers to the sector's growth, including cost (economies of scale), lender and insurer perceptions, supply chain depth and resilience, consistency / quality of output, inconsistency of demand and development financing / viability.**
- The **construction sector in Lincolnshire** – inclusive of MMC – is **not identified as a strategic economic sectoral priority.**
- Whilst Lincolnshire as a whole is mostly delivering enough homes to meet identified need at the level of the County, there are specific locations where insufficient housing is being delivered.
- Housing delivery (highly geographically specific) challenges across Lincolnshire: **challenging market viability, flood risk, significant infrastructure delivery burdens, limited scale of development sites, a dispersed rural geography, the challenges of retrofitting existing stock and the relative undersupply of construction skills.** These challenges can be particularly acute for some MMC systems and delivery models.... **different approaches to the promotion of MMC will be required to account for locational variation**
- **Affordable housing stock holders** across Lincolnshire – including local authorities, Registered Providers and their supply chains – **are beginning to innovate and deliver schemes utilising MMC in response to Homes England funding and policy requirements.**
- However, there is **relatively little evidence of market housing developers and housebuilders engaging with MMC**, particularly with Lincolnshire's construction and housing sector being characterised by relatively traditional SME companies, and a relatively small presence of those national housebuilders which are innovating with MMC.

MMC in Lincolnshire: Rationale for intervention

- There is a **disconnect between the strategic drivers and challenges identified facing the construction sector and housing delivery and the response of the market** – noting that there are funding and legislative drivers already pushing the affordable housing sector to engage.
- Housebuilders and their supply chains in Lincolnshire have little **to no short-term incentive to change their methods and models of delivering market homes** for a range of reasons:
 - (a) there is **no binding legislative imperative to change** on the immediate horizon
 - (b) there is **insufficient market pressure or demand from the end consumer** to drive a change in approach / product
 - (c) there is **a lack of awareness and understanding within Lincolnshire's housebuilding sector** more generally of the **potential opportunities associated with a diverse range of MMC products and systems**.
 - (d) there remain **challenges with the feasibility and viability of many MMC products** and systems, particularly in the context of the frequently small-scale residential sites developed by SMEs which characterise Lincolnshire and the significant geographic variation across the County in terms of deliverability and viability – particularly for market housing.
- However, **legislative drivers are on the horizon** – particularly focused on **sustainability** – and the **structural challenges affecting the UK's construction sector labour market** will be felt ever more acutely in a Lincolnshire context.
- **Increasing capacity to deliver new homes using MMC will be key** to responding to these drivers – **it will be particularly important to support SME developers and contractors which are a key feature of Lincolnshire's residential sector**
- There is, therefore, a rationale for **public intervention to overcome the disconnect between the lack of MMC capacity and engagement in Lincolnshire's housing market** due to the barriers identified and the imperative of the identified strategic drivers
- However, recognising that the affordable housing sector is already at the forefront of engaging with MMC in Lincolnshire relative to developers of market housing – albeit still at a relatively early stage - **interventions will need to be targeted accordingly, supporting each sector as appropriate** relative to the current stage of their engagement.
- Interventions will also need to account for **geographic variation in terms of viability and delivery challenges**, and recognise that the **timeframes for intervention in these instances may well be much longer term**

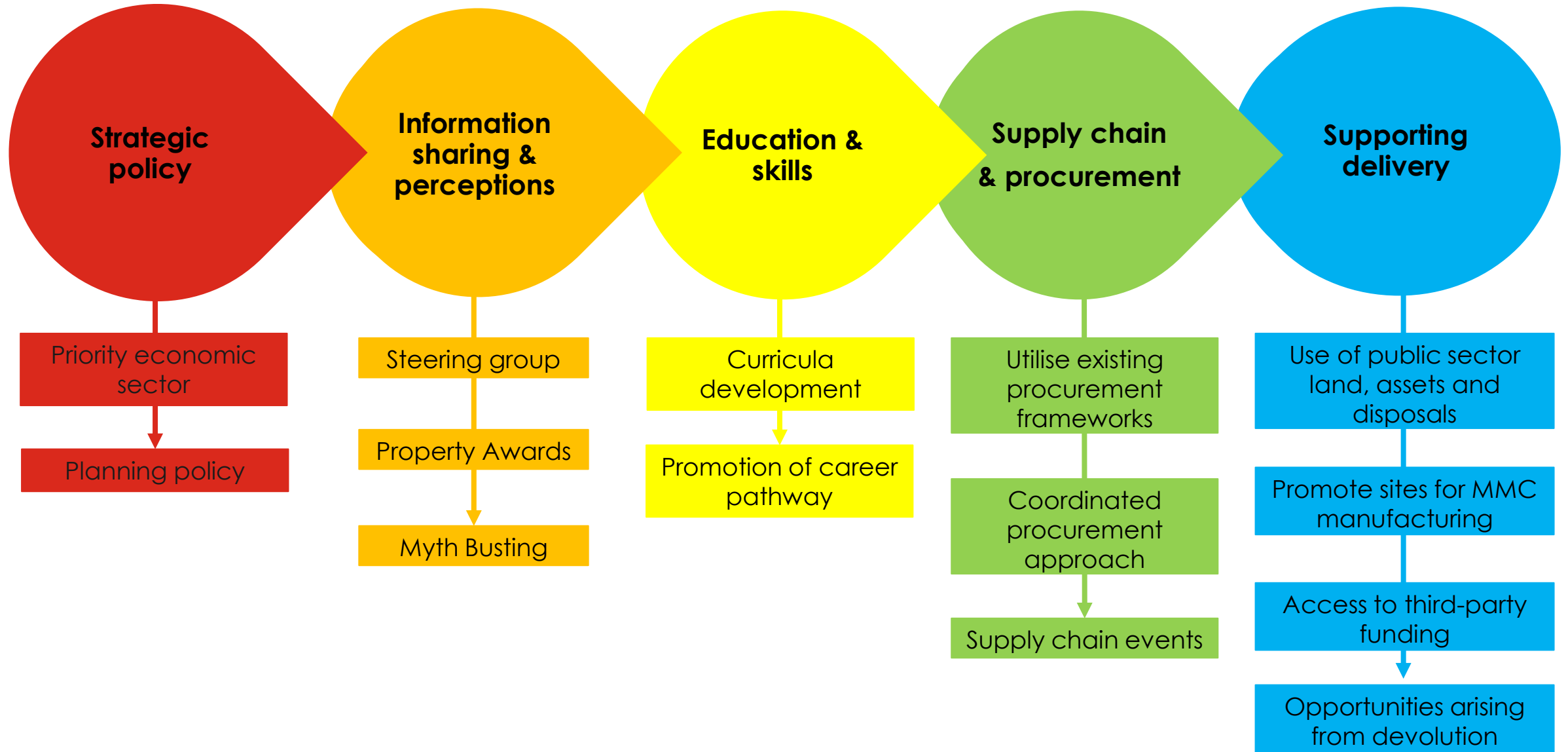
MMC in Lincolnshire: Strategic objectives of interventions

- To enhance the **scale, resilience and capacity** of Lincolnshire's housebuilding sector – both public and private – in the **medium-long term** through catalysing the **increased utilisation of MMC systems and technologies to deliver more homes, more quickly, efficiently, and sustainably.**
- To recognise the significant diversity of viability and delivery challenges for housing delivery across Lincolnshire by **adopting a nuanced, locationally appropriate approach to promoting MMC which is sensitive to context and particularly attuned to the needs of SMEs operating in this sector.**
- To position Greater Lincolnshire as a **pioneer in sustainable construction** through its prioritisation as an economic sector as a platform for unlocking the benefits associated with increased engagement with MMC in housing delivery.
- To achieve this through **collaborative, multi-stakeholder working across five thematic priority areas addressing both demand and supply side factors:**



Introduction to the Action Plan

Overview of priority themes and interventions



Action Plan Structure

A template has been developed for this Action Plan which is based on SMART principles, including:

- **Specific** – identification of the specific intervention and description of its objectives
- **Measurable** – identification of potential outputs, outcomes and impacts
- **Attainable** – specific tasks for each intervention have been identified to guide implementation, with flexibility for participating organisations to adopt / develop the business case for specific interventions as appropriate.
- **Relevant** – all interventions identified following the preparation of a robust evidence base, stakeholder consultations and workshops
- **Time-based** – all interventions have been categorised according to proposed timeframes for delivery with interdependencies also highlighted

Action Plan Template

Intervention description

Objectives <i>(list of goals)</i>	Tasks <i>(what do you need to do achieve the objectives)</i>	Resources/funding <i>(what do you need to complete each task)</i>	Responsibilities <i>(who will be accountable for carrying out each task)</i>	Success criteria <i>(measures to evaluate success)</i>
				<p>Output <i>(The product or service which is a result from the intervention)</i></p> <p>Outcome <i>(Likely short-term or medium-term effects of an intervention's output)</i></p> <p>Impact <i>(Positive or negative long-term effects produced by an intervention, intended or unintended)</i></p>

Timeframe: *(Timeframe definition - Short-term: Up to 12 months/ Medium-term: 1 to 5 years/ Long-term: 5 years+)*

Interdependences: *(what other interventions need to come forward with this intervention to ensure continuity and maximise impact)*

Theme 1: Strategic Policy

Theme 1: Strategic Policy				
Intervention A: Elevate sustainable construction (including MMC) to be an opportunity economic sector for Greater Lincolnshire, embedded in economic policy / strategy and linked to local authority strategic response to climate emergency				
<p>Despite construction being a relatively significant employer in Greater Lincolnshire and key to the region's growth ambitions it is not a priority sector. However, sustainable construction is central to achieving net zero. This intervention seeks to elevate sustainable construction, inclusive of MMC, as a priority economic sector at the strategic (LEP) policy level. This will provide the platform and strategic rationale for all other interventions, and bolster the case for related public investment.</p>				
Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> Develop and adopt policy and evidence base for sustainable construction as a priority economic policy sector for Greater Lincolnshire. Develop and adopt a definition of sustainable construction which includes MMC as a key component, and acknowledges MMC's potentially significant opportunity to enhance the quality and quantity of housing supply, respond to the climate and ecological emergencies and the emerging construction skills crisis. <i>OPTION: Establish sustainable construction as a key pathway for local authorities in responding to the climate emergency</i> 	<ol style="list-style-type: none"> Develop consensus amongst relevant stakeholders – including political buy-in - that sustainable construction should be a future economic and policy priority at a Greater Lincolnshire Level Preparation of robust evidence base defining, qualifying and quantifying the existing and potential contribution of the sustainable construction sector, including MMC Develop and adopt sustainable construction within strategic economic strategy. Develop a detailed sector plan with targets, priorities and interventions. <i>OPTION: Local authorities to embed sustainable construction within climate emergency strategies and action plans</i> 	<ol style="list-style-type: none"> Revenue - Investment and resources required to develop evidence base, policy approach and sector plan at regional level. <i>OPTION: Revenue - Individual local authority resourcing / commitments required to embedding sustainable construction as a delivery / response area within climate emergency strategies and action plans</i> 	<ol style="list-style-type: none"> Greater Lincolnshire LEP – lead Local authorities (boroughs, districts, unitaries) – support for regional strategy development; political leadership; responsibility for local policy development and adoption Lincolnshire County Council – support; political leadership TBC – proposed oversight, governance and accountability structure / body (see 2A) 	<p>Outputs Sustainable construction is classed as a recognised economic sector and embedded in relevant policy and strategy – including a sector plan (<i>OPTION: local authorities embed sustainable construction as a key policy response to the climate emergency</i>)</p> <p>Outcomes The policy and strategy platform established supports the development and delivery of programmes of investment and intervention spanning the breadth of sustainable construction, inclusive of MMC, covering investment in growth, infrastructure, skills development etc, with an emphasis on regionally</p> <p>Impacts Lincolnshire becomes a national leader in promoting investment and growth of sustainable construction, with demonstrable progress made towards net zero</p>
Timeframe: Medium				

Planning policy could be used as a lever to promote MMC through two principal mechanisms: (a) promoting and requiring exemplary sustainable building performance and (b) explicitly accommodating flexibility in negotiating S106 obligations, subject to financial viability, where it can be demonstrated that MMC delivery would adversely impact on viability and deliverability whilst delivering exemplary sustainability outcomes

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<p>1. Develop a planning policy context which acts as both 'carrot' and 'stick' to promote MMC – particularly for market housing providers - by seeking to improve sustainable building performance and mitigate viability issues, recognising that it is not typically within the remit of planning policy to impose conditions on building systems or methods</p> <p>2. Use planning policy to overcome the existing barrier for market housing whereby MMC systems are too expensive to deliver, thus leading to greater MMC adoption.</p> <p>3. A policy response which is sensitive to local context and constraints</p>	<p>1. Local planning authorities to review and define appropriate exemplary sustainable building performance standards and embed in Local Plan policy and / or SPD guidance as appropriate</p> <p>2. Local planning authorities to review and define s106 obligation Local Plan policy and /or develop SPD guidance specific to application and consideration of MMC bespoke to geographic context – viability testing required linked to application of MMC systems in context</p> <p>3. NOTE – policy and guidance development will need to be bespoke to the viability and deliverability challenges specific to context and might choose to focus on (a) small sites (b) should involve consultation with developers and housebuilders and (c) should include guidance as to how developers might be</p>	<p>1. Revenue – resource and revenue required at the level of local planning authorities to establish evidence base and develop the planning policy and guidance</p>	<p>1. Individual local planning authorities (at the level of plan-making responsibilities) – level of engagement with this Action will depend on individual priorities, constraints, appetite for change and progress of plan making authorities</p> <p>2. Political champion – engaging with industry (housebuilders and RPs)</p> <p>3. <i>TBC – coordination via proposed oversight, governance and accountability structure / body (see 2A)</i></p>	<p>Outputs Planning policy and guidance adopted at a local planning authority level which promotes exemplar sustainable homes and allows for flexibility in applying S106 obligations linked to MMC viability challenges</p> <p>Outcomes Increase market delivery of new homes using MMC Increased scale of demand for MMC systems in Lincolnshire acts as a market signal to reduce costs Increased demand for MMC skills from local labour market and supply chains</p> <p>Impacts Homes in Greater Lincolnshire delivered to a Future Homes Standard. Cost savings to home owners and affordable rented occupiers are realised through the improved energy performance of homes. Positive market signal provided to market housing providers catalysing further delivery of MMC homes in Greater Lincolnshire</p>

Intervention A: Establish an oversight, governance and delivery body to drive the delivery of this the Action Plan and establish an MMC network for Lincolnshire

Develop an oversight, governance and accountability structure to (a) coordinate and drive delivery of the Action Plan and (b) provide a forum for sharing best practice, discuss challenges and opportunities in relation to MMC. The structure could comprise a central coordinating governance and accountability board with stakeholders drawn from the public (local authorities, county council, FE & HE colleges, Homes England) and private (developers, housebuilders, MMC manufacturers, contractors etc), with thematic Working Groups established as the 'executive bodies' to drive specific workstreams and agendas.

Objectives	Tasks <i>(what do you need to do achieve the objectives)</i>	Resources/funding <i>(what do you need to complete each task)</i>	Responsibilities	Success criteria <i>(measures to evaluate success)</i>
<ol style="list-style-type: none"> 1. Establish a robust structure to ensure the coordination, delivery and governance of the implementation of this Action Plan 2. Through establishing this structure a forum will be established that creates a platform for GL to catalyse and develop MMC networks spanning public, private and third sectors. 3. Create a platform to facilitate knowledge sharing. 4. Create a visible platform and basis for political advocacy and send positive signals to the market 	<ol style="list-style-type: none"> 1. Scope potential governance and delivery structures – including potential lead organisations, participating stakeholders, resourcing requirements, terms of reference, limits of responsibilities etc. 2. Engage with stakeholders to build structures (e.g. central Steering Board and thematic Working Groups linked to the themes in this Action Plan) 3. Establish governance and delivery structures (including Terms of Reference), as appropriate – as a minimum, establish a multi-stakeholder knowledge-sharing forum 4. Progress the development of detailed implementation plans building on this Action Plan framework. 	<ol style="list-style-type: none"> 1. Limited revenue funding contributions along with stakeholder resource (time) required to support the ongoing operation and functioning of the central governance and accountability board, and the working groups 	<ol style="list-style-type: none"> 1. <i>NOTE – the purpose of this group is coordination, governance, accountability and sharing knowledge / best practice (e.g. not a delivery vehicle)</i> 2. Broad range of engaged stakeholders required from across the public, private and third sectors 3. Strong political and executive leadership required to drive momentum within the steering group and wider initiatives. 	<p>Output Establishment of an oversight, governance and accountability structure Coordination and driving of the delivery of the Action Plan across thematic working groups Establishment of a knowledge-sharing forum / platform</p> <p>Outcome Progress towards delivering specific Action Plan interventions Increased knowledge sharing and best practice to improve MMC sector knowledge and engagement</p> <p>Impact Improved knowledge of MMC will drive adoption and increased delivery of MMC across Lincolnshire. Increased political understanding and advocacy will send a positive demand-side signal to the market, encouraging market-led promotion and use of MMC.</p>

Theme 2: Information Sharing & Perception
Intervention A: MMC Category at the Lincolnshire Construction & Property Awards

Use the Lincolnshire Construction & Property Awards to raise the profile of MMC projects and organisations involved in their delivery by introducing an MMC category.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<p>1. Raise the profile of MMC by showcasing good quality and best practice MMC developments at the Lincolnshire Construction & Property Awards.</p>	<p>1. Work with the Lincolnshire Chambers of Commerce to develop an MMC-specific category.</p> <p>2. Expand 'sustainable project of the year award' to include sub-categories relating to Future Homes Standard and Passive House (in addition to MMC)</p> <p>3. Identify potential sponsors and partners for this category</p> <p>4. Scope and shortlist exemplar projects.</p>	<p>1. Revenue – limited revenue required to deliver this intervention; potential for sponsorship opportunities to recover costs.</p>	<p>1. MMC/Sustainable construction Working Group to promote the idea to Lincolnshire Chambers of Commerce.</p> <p>2. Lincolnshire Chamber of Commerce - lead</p>	<p>Output New MMC Category at the Property Awards.</p> <p>Outcome General perceptions of MMC improve because best practice projects are shared.</p> <p>Impact MMC category becomes more competitive with more award entrants. Positive demand-side market signal through the increased recognition of MMC projects. Lincolnshire's reputation for promoting and advocating MMC continues to develop, alongside other demand and supply side interventions and increased project delivery.</p>

Timeframe: Short-term

Interdependencies: None – but potential link to proposed oversight, governance and accountability structure / body (see 2A);

Non-technical, jargon-free guidance developed written to support Members and Officers to build an understanding of the MMC sector, and the technologies and systems available, their respective merits and weaknesses, how and why MMC is relevant in a Lincolnshire context, the specific barriers to delivery, how these can be overcome and the potential opportunities.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Develop concise non-technical guidance document that is easy to read and disseminate for a political audience, with a strong case study focus. 2. Building knowledge and understanding of MMC systems to enhance the prospects for political leadership, endorsement and advocacy of projects and interventions. 3. Sharing and dissemination of guidance across Lincolnshire to build consistent understanding at a political-level and to send a positive signal to the market 	<ol style="list-style-type: none"> 1. Scope and agree responsibility for delivering the guidance, funding required and dissemination strategy. 2. Scope and commission the development and preparation of a concise, non-technical document. 3. Publicise and disseminate the guidance – ensure political leadership and advocacy. 	<ol style="list-style-type: none"> 1. Revenue – funding required to develop and deliver the non-technical guidance, along with marketing and promotion. TBC whether use of guidance restricted to those contributing funding or if guidance should be disseminated more widely 	<ol style="list-style-type: none"> 1. Participating local authorities – political leadership, funding, delivery 2. GLLEP 3. External resource to develop guidance 	<p>Output Concise, non-technical guidance for local authority members Engagement / use of the document by local authority members</p> <p>Outcome Building understanding and awareness of the benefits and opportunities of MMC amongst local authority members. Increased advocacy and endorsement of MMC by local authorities – and confidence in decision-making.</p> <p>Impact Improved knowledge of MMC will drive adoption and increased delivery of MMC across Lincolnshire. Increased political understanding and advocacy will send a positive demand-side signal to the market, encouraging market-led promotion and use of MMC.</p>

Timeframe: Short-term

Interdependencies: link to proposed oversight, governance and accountability structure / body (see 2A); potential link to strategic policy platform (see 1A)

Theme 3: Education and skills

Intervention A: Supporting FE and HE institutions to develop existing curricula to address MMC

Supporting FE Colleges teaching construction to develop their curricula to include MMC theory and links to sustainable construction to build the knowledge, understanding and capacity of new entrants / upskilling of Lincolnshire's construction labour force

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Support FE colleges to develop and expand existing curricula – potentially through 'bolt-ons' to existing courses / trade skills in the first instance rather than standalone courses, focused on 'future skills' and theory relevant to MMC and sustainable construction 2. Raising the profile of sustainable construction and MMC related careers pathways for young people in Lincolnshire. 3. Building a more resilient construction sector labour force in Lincolnshire. 4. Build the business case and resourcing plan to provide the basis for securing funding to deliver curricula. 	<ol style="list-style-type: none"> 1. Work with existing FE colleges to map existing course provision and identify opportunities for developing additional course content relevant to sustainable construction and MMC. 2. Feasibility analysis – key opportunities and barriers, teaching resources, costs, course design. 3. Consultations with employers to market test / scope the potential course provision linked to existing skills / trade courses; consult with Colleges already providing MMC course provision (i.e. Black Country & Marches Institute of Technology) 4. Develop funding strategy to– consider public funding opportunities, potential tie-ups with industry partners. 5. Develop business case to seek funding for delivering additional course provision. 	<ol style="list-style-type: none"> 1. Revenue – revenue funding required for feasibility testing and developing the business case. Revenue also required to sustain the delivery of the courses – the funding model underpinning this will be imperative 	<ol style="list-style-type: none"> 1. FE Colleges – lead 2. Supported by GLLEP, KCC, local authorities (funding contributions to feasibility stage?) 3. Industry stakeholders – consultees, potential contributions to course delivery, practical demonstration / project experience etc 	<p>Output Sustainable construction / MMC principles embedded in FE course provision. Increase in the number of students equipped with knowledge and skills relevant to sustainable construction / MMC</p> <p>Outcome Enhanced MMC skills and knowledge in Lincolnshire's construction labour force Positive supply-side market signals to MMC manufacturers, contractors and housebuilders seeking to locate / deliver using MMC systems in Lincolnshire</p> <p>Impact Enhanced resilience and growth of Lincolnshire's sustainable construction sector through supply-side interventions Lincolnshire establishes national reputation as leaders in innovating to train and upskill its labour force equipped to deliver utilising MMC</p>

Theme 3: Education and skills

Intervention B: Promotion of sustainable construction (including MMC) as an aspirational career pathway

Supporting FE and HE institutions to promote sustainable construction as an aspirational career pathway and a 'job for the future' in schools, particularly highlighting education and skills pathways to higher-skilled jobs within the sector, with industry partners active in Lincolnshire.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Raise the profile of sustainable construction as an aspirational career pathway in Lincolnshire. 2. Enhance demand for FE and HE courses delivering courses in the sustainable construction space. 3. Enhance supply of sustainable construction labour force in the UK. 	<ol style="list-style-type: none"> 1. Establish working group with participating organisations – FE, HE, schools, relevant local authorities. 2. Develop compelling and consolidated 'sustainable construction' vision and offer bespoke to Lincolnshire: courses and education providers, engaged businesses / employers. 3. Identify business and resourcing plan – including lead organisations / delivery body 4. Develop and deliver engagement strategy 5. <i>OPTION – align engagement / promotion strategy with work experience, internships, apprenticeship etc opportunities</i> 	<ol style="list-style-type: none"> 1. Revenue – revenue contributions from partners required 	<ol style="list-style-type: none"> 1. Lead TBC – but to include FE & HE organisations, GLLEP, LCC, local authorities and industry stakeholders 	<p>Output Delivery of a school engagement programme – events, school visits, number of student engagements etc</p> <p>Outcome Increase in demand for FE and HE course provision in sustainable construction Enhanced awareness of pathways to employment Improved links between schools, FE/HE and employers</p> <p>Impact Enhanced resilience and growth of Lincolnshire's sustainable construction sector</p>

Timeframe: Short / medium term

Interdependencies: link to proposed oversight, governance and accountability structure / body (see 2A); further link to strategic policy platform (see 1A); link to proposed expansion of MMC course provision (see 3A); link to demand-side interventions (5A-D) by using scheme delivery to showcase opportunities for employment

Theme 4: Supply chains and procurement

Intervention A: Making better use of existing procurement frameworks to facilitate MMC delivery

Promotion and utilisation of procurement frameworks (e.g. SCAPE, Pagabo & LHC) which can already provide access to manufacturers and/or contracting partners with MMC experience – e.g. LHC already has an offsite construction framework with MMC manufacturers (LHC2) and is launching an updated framework which partners MMC manufacturers with contractors (in 2023)

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<p>1. Build awareness and understanding amongst local authorities with existing or proposed residential development pipelines of existing procurement frameworks.</p> <p>2. Increase local authority delivery of MMC projects procured using existing and emerging frameworks</p>	<p>1. Map existing frameworks with MMC capabilities</p> <p>2. Identify relative strengths and weaknesses associated with different frameworks, including sharing delivery experience where Lincolnshire local authorities have utilised them previously to deliver MMC projects</p> <p>3. Consultation with procurement and housing delivery teams within local authorities (where relevant) to identify existing procurement pathways, frameworks, procedures etc and map potential opportunities</p> <p>4. Prepare shared guidance for use by local authority housing and delivery teams across Lincolnshire</p>	<p>1. Revenue – required to research and develop shared guidance</p>	<p>1. Local authorities – contingent upon which authorities wish to participate and share resourcing for preparation of guidance in order to utilise its output</p>	<p>Output Guidance for local authority housing and procurement teams regarding the utilisation of existing and emerging procurement frameworks to facilitate MMC delivery Sharing best practice and lessons learnt from utilising frameworks with inputs from MMC manufacturers and contractors</p> <p>Outcome Increased local authority utilisation of frameworks to deliver homes using MMC systems Increased delivery of MMC homes across Lincolnshire Increased demand for MMC systems, products, related employment and skills</p> <p>Impact Public-sector led demand-side market signals for increased MMC usage in Lincolnshire</p>

Timeframe: Short-medium term

Interdependencies: link to proposed oversight, governance and accountability structure / body (see 2A); link to strategic policy platform (1A); link to demand-side interventions (5A-D)

Theme 4: Supply chains and procurement

Intervention B: Coordinated procurement of MMC systems / products at scale and across multiple sites

Local authorities with housing delivery pipelines could act collaboratively to procure MMC products and systems at scale from manufacturers (either turnkey systems or working with contractor partners) across multiple sites and geographies to establish economies of scale to reduce per-unit cost of specific MMC systems (assuming Category 1 volumetric, or Category 2 panellised)

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Establish procurement partnership between local authorities to generate economies of scale to reduce MMC costs. 2. Enhance the viability of delivering MMC, with a focus on small sites. 3. Support the development of related, localised supply chains, contractor partnerships and associated skills and employment. 4. Deliver more local authority-led homes using MMC 	<ol style="list-style-type: none"> 1. Establish which local authorities would be willing to collaborate in developing a procurement partnership (assume this would require local authorities with existing development plans, or aspirations to create a pipeline). 2. Coordinate site feasibility and viability analysis to identify opportunities for MMC systems and the scale of the opportunity (i.e. no. of units, unit mix, sizes, site constraints etc). 3. Undertake deliverability, viability and and market testing of alternative MMC systems and products in the context of identified sites. 4. Develop a partnership approach to procuring MMC systems across multiple sites/locations. 5. Secure the procurement of chosen MMC system. 	<ol style="list-style-type: none"> 1. Revenue – required from participating authorities to undertake feasibility and viability testing linking site analysis to testing of alternative MMC systems, and to develop the procurement partnership. 2. Capital – required to deliver identified development schemes utilising chosen MMC systems. 	<ol style="list-style-type: none"> 1. Local authorities – contingent upon participation (i.e. existing or potential development pipeline) 2. MMC manufacturers – will be required to engage with an innovative procurement partnership 3. Contractor partner(s) – flexibility required re. approach to delivery (i.e. multiple contracting partners depending on site / local authority or single contractor partner spanning multiple sites – TBC). 	<p>Output Procurement partnership established which can procure MMC system(s) at scale for participating local authorities to reduce per-unit costs Relationships with MMC manufacturers and/or contracting partners established.</p> <p>Outcome Increased delivery of homes using MMC across Lincolnshire. Increased coordination, expertise and resilience of local authorities in delivering MMC. Increased demand for MMC systems, products, related employment and skills.</p> <p>Impact Public-sector led demand-side market signals for increased MMC usage in Lincolnshire. Lincolnshire local authorities establish national reputation as leaders in innovating to procure and delivery MMC, overcoming market barriers to delivery.</p>

Timeframe: Short- medium term

Theme 4: Supply chains and procurement
Intervention C: Opportunity promotion and supply chain visibility

Coordination and delivery of Greater Lincolnshire sustainable construction / MMC-focused expo / opportunity events – local authorities, registered providers, landowners, developers, housebuilders (SMEs / volume), MMC manufacturers, contractors, supply chain partners, HE and FE institutions to attend and connect.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Establish a forum / event with the intention of connecting stakeholders involved in housing delivery with a focus on MMC and sustainable construction. 2. Share best practice and expertise in MMC delivery through providing expert talks / presentations etc 3. Overcoming geographically or organisationally siloed behaviours and making visible opportunities across Lincolnshire, connecting existing expertise – including from organisations active in MMC outside of the county - with potential opportunities 	<ol style="list-style-type: none"> 1. Requires lead organisation(s) with supporting stakeholder group 2. Soft market testing and consultation with potential stakeholders / attendees to inform the development of a vision, purpose / focus, scope and delivery plan for the event (or series of events perhaps) 3. Business case and resourcing plan will need to be developed to ensure a viable model (i.e. costs recovered from sponsorship, attendees etc) 	<ol style="list-style-type: none"> 1. Revenue – funding required to develop the vision, strategy and deliver the event with the intention of recovering costs 	<ol style="list-style-type: none"> 1. Local authorities – lead organisation in terms of initiating and acting as lead client 2. External / third part events organisation to develop the business case, delivery plan and implementation 	<p>Output MMC / sustainable construction opportunity / supply chain event organised and delivered</p> <p>Outcome Increased connections between potential stakeholders to build the depth and capacity of the sustainable construction sector in Greater Lincolnshire</p> <p>Impact Lincolnshire local authorities establish national reputation as leaders in supporting the growth of its sustainable construction and MMC sectors.</p>

Timeframe: Short-medium term

Interdependences: link to proposed oversight, governance and accountability structure / body (see 2A); link to strategic policy platform (1A); link to demand-side interventions (5A-D); link to increased awareness and utilisation of existing procurement frameworks (4A) and potentially aggregated public-sector procurement

Theme 5: Supporting delivery

Intervention A: Making use of public sector land and assets to support MMC both through delivery and disposals

Local authorities could use their land / assets (direct delivery and procurement / disposal – including via One Public Estate strategies) to promote / prioritise / mandate MMC delivery, where appropriate, to provide opportunities and stimulate the market (potential for SME / local procurement conditions as well)

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Release land via disposal or procuring of development partners to deliver home (both affordable and market) via MMC 2. Embed the utilisation of MMC into local authority led housing delivery 3. Demonstrate and enable MMC 'best practice' and 'proof of concept' in local markets – both via direct delivery and enabling others 4. Overcome localised housing market barriers via land value discounting to incentivise MMC delivery (subject to subsidy control and S123 best value consideration) 	<ol style="list-style-type: none"> 1. Identify land disposal and development opportunities at local authority level 2. Establish the parameters of S123 best value considerations re. potential disposals of land below market value to achieve environmental, social and economic outcomes conditional on MMC delivery – establish procurement / disposal strategy. 3. Feasibility and viability analysis to establish the potential viability model (and potential cross-subsidy / discounting required) 4. Identify and market land assets for disposals in line with procurement strategy 5. Opportunity to identify potential land assets via One Public Estate partners 6. Where direct delivery is proposed, establish pathway to delivery (feasibility and viability testing required) with MMC prioritised (i.e. Lincoln – Western Growth Corridor) 	<ol style="list-style-type: none"> 1. Revenue – resource/funding required to establish procurement / disposal strategy compliant with subsidy control and best value considerations which allows for conditional MMC restrictions to be imposed on delivery partners 2. Revenue – resource/funding for marketing, disposals, contract management 3. Capital & revenue – required where direct delivery proposed (NB implications of increased MMC costs to be factored into account in treatment of public land value) with capital and revenue resourcing commitments required to deliver a development programme 	<ol style="list-style-type: none"> 1. Local authorities – contingent upon existing development delivery capacity and/or appetite to deliver affordable and/or market homes. NOTE – due to differential housing needs and viability challenges across Lincolnshire this could be a key route 2. Delivery partners – contingent upon local authority strategy re. disposals / procurement of partners or direct delivery 3. Opportunity to pool resources between local authorities re. commissioning strategic work, sharing development delivery resources / capacity, sharing best practice etc 	<p>Outputs Homes delivered by local authorities using MMC on land within public ownership. Delivery of homes using MMC on land originally in public ownership by delivery partners (via procurement or disposal). Establishment of MMC-led development programmes across Lincolnshire.</p> <p>Outcomes Increased scale of MMC delivery. Increased MMC supply chain activity and presence in. Increased demand for MMC related employment and skills. Increased delivery of exemplary sustainable homes. Increased delivery of MMC homes in areas where market barriers would prevent this.</p> <p>Impacts Enhanced capacity of local authorities in Lincolnshire to directly deliver housing. Lincolnshire positioned as a pioneer in driving MMC.</p>

Timeframe: Short / medium / long-term – contingent upon the circumstances of individual local authorities

Theme 5: Supporting delivery
Intervention B: Promoting sites for MMC manufacturers

Encourage inward investment to Greater Lincolnshire from MMC manufacturers by promoting land opportunities in key employment areas – i.e. Humber Freeport, redundant aircraft hangars etc – in proximity to major road networks.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> 1. Develop an inward investment strategy linked to key strategic employment sites with land available for development in locations attractive to MMC manufacturers 2. Attract MMC manufacturers to locate in Greater Lincolnshire 3. <i>OPTION – potential to tie inward investment strategy to the delivery of key strategic housing sites where the public sector has a land ownership interest / stake in delivery (i.e. City of Lincoln Western Growth Corridor)</i> 	<ol style="list-style-type: none"> 1. Scope an inward investment strategy including soft market testing with MMC manufacturers – recognising the breadth and diversity of systems and differential land / building requirements (i.e. infrastructure requirements, location etc). 2. Develop the inward investment strategy with clear identification of the broader ‘step change’ being driven across Greater Lincolnshire to increase demand for MMC. 3. Linked skills and employment strategy development 4. Active marketing and promotion 5. <i>OPTION – link strategy to strategic housing sites</i> 	<ol style="list-style-type: none"> 1. Revenue – resource required to develop and implement inward investment strategy, marketing and promotion 	<ol style="list-style-type: none"> 1. Greater Lincolnshire LEP – inward investment function 2. Local authorities with strategic employment sites 3. Landowners of strategic employment sites 4. FE / HE – joined up / linked skills and employment strategy 	<p>Output Inward investment strategy developed and implemented to attract MMC manufacturers.</p> <p>Outcome Increased number of MMC manufacturers locate in Greater Lincolnshire. Increased supply of MMC systems and products to housing. developers in Greater Lincolnshire Increased employment in the MMC sector.</p> <p>Impact Greater Lincolnshire becomes an increasingly recognised hub and cluster for MMC manufacturers.</p>

Timeframe: Short-medium term

Interdependencies: Linked to 1A (elevation of sustainable construction as a strategic policy priority) – also linked to implementation of a range of demand and supply-side interventions identified in this programme (TBC) to demonstrate public sector commitment to catalysing demand for MMC in Greater Lincolnshire (potential link to direct delivery of local authority owned strategic housing sites to catalyse demand – see 5A)

Theme 5: Supporting delivery

Intervention C: Supporting / securing access to funding for MMC manufacturers and / or developers

Local authority brokering and facilitation of access to financing and funding to unlock MMC capacity / delivery by supporting/coordinating initiatives to secure third party finance (including potential public sector grant / loan / equity funding) to support identified manufacturers, and/or delivery partners – focusing on market housing as Homes England funding incentives for MMC already available via the Affordable Homes Programme.

Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> Unlocking additional capital investment to facilitate MMC capacity and/or delivery (i.e. securing public sector grant / borrowing / equity to invest in MMC facilities, or pay for infrastructure delivery on a site-specific basis to unlock MMC use). Investment in de-risking infrastructure costs to catalyse MMC delivery (particularly for SMEs on small sites; potentially larger strategic sites to establish scale of demand) Lincolnshire local authorities - potentially acting collaboratively – establish reputation as MMC pioneers. 	<ol style="list-style-type: none"> Soft market testing with MMC manufacturers potentially interested in locating in Lincolnshire to understand opportunities and barriers – and potential capital requirements (and available sites / facilities) Soft market testing with developers active across Lincolnshire interested in delivering using MMC but can identify site-specific viability issues preventing MMC utilisation Local authorities to discuss and map potential funding opportunities in collaboration with Homes England to identify potential funding opportunities Business case development to be focused around specific investment opportunities (i.e. MMC manufacturing capacity or site-specific housing focused) 	<ol style="list-style-type: none"> Revenue – required to identify, explore and broker both funding and investment opportunities <i>OPTION: Capital – potential opportunity for local authorities to provide direct investment alongside / or in place of third party (i.e Homes England) funding sources BUT note the challenging funding environment and risks involved so direct capital investment less likely</i> 	<ol style="list-style-type: none"> Either local authority-led (individually) or potential to collaborate at a Greater Lincolnshire level Partners - potential MMC manufacturers interested in establishing a presence in Lincolnshire Partners – developers / housebuilders potentially interested in delivering using MMC but can identify site-specific viability and delivery barriers to delivery. Opportunities for both SMEs and larger housebuilder involvement. 	<p>Output Additional finance / investment unlocked to facilitate (a) establishing of MMC facilities and/or (b) delivery of sites using MMC that would have otherwise been unviable</p> <p>Outcome Increased MMC manufacturing capacity in Lincolnshire. Increased delivery of market homes utilising MMC systems in Lincolnshire by SMEs and larger-scale developers. Increased MMC supply chain activity and presence Increased demand for MMC related employment and skills. Increased delivery of exemplary sustainable homes. Increased delivery of MMC homes in areas where market barriers would prevent this.</p> <p>Impact Additional demand for MMC stimulates the sector's increased growth, resilience and diversity in a Greater Lincolnshire context</p>

Theme 5: Supporting delivery				
Intervention D: Leverage opportunities which might potentially arise from any future devolution of housing and infrastructure funding and powers to support MMC				
<p>Whilst devolution of powers and responsibility for housing and infrastructure funding and investment is not necessarily on the horizon, should this materialise there is precedent from other areas (i.e. Combined Authorities) where brownfield investment funds have been utilised to (a) unlock delivery on brownfield sites to overcome market failures and (b) promote policy objectives – of which MMC could be one</p>				
Objectives	Tasks	Resources/funding	Responsibilities	Success criteria
<ol style="list-style-type: none"> Utilise devolved housing and infrastructure investment (i.e. direct investment in housing sites or enabling infrastructure) on a conditional basis to require MMC systems to be utilised by delivery bodies Embed the promotion of MMC as a policy objective associated with any devolved housing and investment powers 	<ol style="list-style-type: none"> Scope the potential for a housing / infrastructure investment fund. Fund design to appropriately recognise locational diversity and challenges (i.e. viability challenges in different Lincolnshire locations – NE Lincs vs Lincoln, for example – and the differential incentives and conditions which might be applicable in each location based on barriers to adoption of MMC. Establish business case for funding programme with MMC embedded as an objective Fund launch and appraisal of business cases from applicants – subsequent delivery support and M&E 	<ol style="list-style-type: none"> TBC – conditional on progress towards devolution 	<ol style="list-style-type: none"> TBC – conditional on progress towards devolution 	<p>Output Establish housing and infrastructure investment fund with MMC embedded as a conditional priority</p> <p>Outcome Unviable sites unlocked and additional housing delivered Additional homes delivered utilising MMC</p> <p>Impact Additional demand for MMC stimulates the sector's increased growth, resilience and diversity in a Greater Lincolnshire context</p>
Timeframe: Long-term				
Interdependencies: <i>Contingent upon devolution</i>				

Research, analysis and advice

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