

Committee Name and Date of Committee Meeting

Cabinet – 08 July 2019

Report Title

Response to Recommendations from Scrutiny review – Modern Methods of Construction

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Boroughwide.

Report Summary

The Improving Places Select Commission conducted a review of modern methods of construction (MMC), and reported to Overview and Scrutiny Management Board (OSMB) on 12th December 2018.

The Housing Service is undertaking a pilot to deliver homes built using MMC and has participated in the IPSC review.

Under the Overview and Scrutiny procedure rules, the Cabinet is required to respond to any recommendations made by Scrutiny and this report is submitted to meet that requirement, and to set out the next steps in terms of implementation.

Recommendations

1. That the officer response to the recommendations of the Scrutiny Review of Modern Methods of Construction as set out in Appendix A be approved.
2. That a further recommendation be added to receive a formal 'lessons learned' report post completion of the current MMC pilot.

List of Appendices Included

Appendix A: Response to individual Scrutiny recommendations

Background Papers

Cabinet report 9th July 2018: Modern methods of construction pilot to build affordable homes

Improving Places Select Commission's report to Overview and Scrutiny Management Board, 12th December 2018

Cabinet report 4th February 2019: Delivery of 12 bungalows using modern methods of construction

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 12 December 2018

Council Approval Required

No

Exempt from the Press and Public

No

Response to Recommendations from Scrutiny review - Modern Methods of Construction

1. Background

- 1.1 The Improving Places Select Commission conducted a review of MMC, and reported to Overview and Scrutiny Management Board on 12th December 2018. The Housing service is undertaking a pilot to deliver homes built using MMC and has participated in the IPSC review.
- 1.2 The main objectives of the review were to;
- Establish baseline data around house need to help determine suitable locations
 - Identify suitable land opportunities
 - Identify suitable suppliers of modular housing and costs
 - Explore heat sources and solar options
 - Visit Sheffield University, Manchester University, and similar schemes, to fact find
 - Identify sponsorship or other available grant funding
 - Identify success criteria used to measure success and consider expanding the scheme
- 1.3 The Council's Strategic Housing and Development Service is exploring a range of ways to accelerate the delivery of new housing in the borough, including the use of modern methods of construction, and a response to each of the five recommendations is set out in Appendix A.

2. Key Issues

- 2.1 The Council has ambitious housing growth targets and a range of different delivery methods and approaches will be required to achieve the required scale of housing growth in the borough. MMC could contribute for the following reasons:
- Speed of construction.
 - MMC homes typically achieve high levels of quality and energy efficiency (industry expert's state that due to the superior airtightness achieved by precision engineering and factory conditions the homes cost 20% less to heat than conventional properties, which will help to reduce fuel poverty).
 - Potential for reduced labour and construction costs depending on the construction method and number of units.
 - Reduced waste generation (the precise nature of manufacturing means less waste during the process).
 - Health and safety – risks associated with working at heights are reduced.

- Consistency in construction – due to the precision manufacturing, use of high performance materials and inspection at every stage of the build process to ensure that the highest standards are maintained, the risk of imperfections is significantly reduced.
- Minimal impact and disruption on construction site and the surrounding area – typically 80% of the construction work is off-site, which keeps disruptive noise/activity/dust/ movements and deliveries to site to a minimum.
- Opportunities for small and medium specialist companies to work in partnership with the Council, which will help to diversify the local construction industry.

2.2 However, the following points must also be taken into consideration:

- MMC is not necessarily cheaper than traditional construction and it is often only the case that significant savings can be made with the economies of scale offered by a high volume programme.
- By definition, there is limited evidence regarding the long term condition and appearance of homes built through modern construction methods.
- Customer experience of living in MMC properties and customer demand needs evidencing.
- Separate provisions will need to be identified within the Council's repairs and maintenance contractual arrangements.
- As the manufacturing is largely carried out offsite and there are currently no factories in Rotherham, the opportunities for local employment will be lower than for traditional construction.

2.3 The current pilot project will be evaluated as to its effectiveness in addressing the issues set out above and due consideration to further usage and roll out.

3. Options considered and recommended proposal

3.1 The recommendations and corresponding actions are designed to ensure that homes delivered via MMC are closely monitored in terms of effectiveness, value for money and quality, with a view to applying lessons learnt to any future proposals of housing delivery using MMC.

4. Consultation on proposal

4.1 Consultation in respect of the MMC pilot has taken place with local Ward Members.

4.2 The Council's intention to explore the delivery of homes using MMC is set out in the new Housing Strategy, which was approved by Cabinet on 18th March 2019.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing has overall accountability for delivering the outcomes set out in this report, and progress is reported to the Housing and Regeneration Programme Delivery Board.
- 5.2 The timetable for implementing the recommended actions is set out in the attached schedule (Appendix A).

6. Financial and Procurement Advice and Implications

- 6.1 These are fully addressed in Cabinet reports for specific schemes.
- 6.2 Finance officers will be involved in the analysis and comparison of maintenance costs against traditionally built properties.
- 6.3 There are no additional anticipated costs or incomes to the Housing Revenue Account or General Fund relating to this report. All activity to address the OSMB recommendations will be undertaken utilising existing staff resources.

7. Legal Advice and Implications

- 7.1 These are fully addressed in Cabinet reports for specific schemes.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The MMC bungalows pilot will deliver accessible homes that will enable older people and people with support needs to continue to live independently.

10. Equalities and Human Rights Advice and Implications

- 10.1 Implementation of OSMB's recommendations, and delivery of the Council's MMC pilot, will help to meet the housing needs of older people and people with support needs. The higher energy efficiency ratings anticipated for new MMC properties will help to alleviate fuel poverty.
- 10.2 New MMC Council Homes will be allocated in accordance with the Council's Housing Allocation Policy.

11. Implications for Partners

- 11.1 Delivery of the OSMB's recommendations will allow the Council to engage in new partnership working and could extend opportunity to SME companies.

12. Risks and Mitigation

- 12.1 These are fully addressed in Cabinet reports for specific schemes.

13. Accountable Officer(s)

	Named Officer	Date
Chief Executive	Sharon Kemp	24/06/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	19/06/19
Assistant Director of Legal Services (Monitoring Officer)	Bal Nahal	19/06/19

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