

Re-imagining social house building in Wales - A Modern Methods of Construction Strategy for Social Housing Implementation plan

Issue	How might we?	We will	by	output - what is success	priority 1-5	by when	Review date
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1 Social housing delivery with MMC							
	Traditional house building methods will not significantly increase the supply of affordable and social homes in Wales quickly and at scale.	Use modern methods of construction to increase the scale and pace of social house delivery in Wales					
1.1			Require all our social housing funded schemes to embrace and implement MMC principles.	Seek to place a target for MMC delivery on all social housing developments funded by Welsh Government.	<ul style="list-style-type: none"> Increased number of MMC developments funding via Welsh Government housing grant programmes. 	1	December 2021 December 2022
1.2			Use MMC as a solution to help Local Authorities kick start social housing building at scale and pace and seek an increased number of MMC social homes delivered by Residential Social Landlords.	<p>Establishing a MMC working group with Local Authorities and Residential Social Landlords to understand the challenges of social housing delivery, barriers to MMC delivery.</p> <p>Encourage experienced MMC enablers to act as mentors for those unfamiliar with MMC technologies or for those with limited development capacity.</p>	<ul style="list-style-type: none"> More MMC homes being delivered. Collaborations between Residential Social Landlords, Local Authorities and MMC producers. Mentoring relationships for those with limited development capability. 	1	December 2021 December 2022
1.3			Explore approaches to MMC which will allow for an incremental increase towards volumetric MMC housing delivery in Wales (as defined by the UK Government Cast consultancy definitions framework).	<p>Undertake an exercise to map the current position of MMC social housing delivery in Wales.</p> <p>Catalogue the types of MMC being built by social landlords in Wales and work with them to explore how they can incrementally increase the amount of MMC in their housing portfolio.</p> <p>Work with Welsh MMC producers to explore how they can expand their product range to shift towards MMC volumetric delivery.</p>	<ul style="list-style-type: none"> Social landlords 'swapping out' standardised designs and componentry within housing developments. More social homes using more volumetric MMC solutions. Welsh MMC providers gradually shifting towards volumetric MMC production. 	2	December 2021 December 2022

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1.4		Seek to understand the capacity constraints with social (and private market) housebuilders and explore if MMC can provide a solution to building houses faster and better quality.	Actively engaging with the SME housebuilding sector via the House Builders Engagement Programme (HBEP) to understand their appetite for MMC as a route for delivery of market and social homes in Wales.	<ul style="list-style-type: none"> Levelling the playing field - normalising MMC as the solution regardless of tenure. 	2	December 2021	December 2022
1.5		Seek to understand any barriers in the regulatory system that hinders the acceleration of MMC home delivery (both social and market housing). We will explore mechanisms in the current Welsh land planning framework to provide opportunities to deliver more MMC social and market homes. This includes Welsh planning policies, permitted development rights and other planning and regulatory policies.	<p>Engaging with Welsh Government planning, building regulations and SuDS policy leads to discuss barriers for MMC delivery and opportunities to positively drive MMC delivery through these policy areas.</p> <p>This workstream will be informed by evidence and opinion from social landlord's development teams, the HBEP and MMC producers.</p>	<ul style="list-style-type: none"> Changes to wider Welsh Government policies that will incentivise for MMC social and market homes. Policies positioned so that they make MMC the solution of choice in order to meet policy compliance (e.g. energy standards). 	4	July 2022	July 2022
1.6		Explore ways to ensure sites are 'MMC ready' and are adaptable. Explore the use of existing vacant, gap and as exemplar locations to deliver more MMC social homes.	<p>Working with social landlords to map redundant/mothballed sites that already benefit from utility provision (e.g. garage infill sites). Seek to incentivise MMC developments to enable delivery at scale and pace on 'oven ready sites'.</p> <p>Explore the role of local authorities and permitted development rights to facilitate this approach.</p> <p>Explore how this can be achieved by existing Welsh Government funding packages - or via new bespoke financial support products.</p>	<ul style="list-style-type: none"> Smaller exemplar infill sites being brought forward for social housing. 	4	July 2022	July 2022

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1.7		Explore how public sector landholdings can play a role in MMC housing delivery in Wales.	Work with Welsh Government's Land Division, Property and Treasury teams to explore mechanisms for increased MMC housing linked to land disposals and support for bringing MMC residential sites forward within Government treasury rules.	<ul style="list-style-type: none"> More public sector land disposal agreements with a proportion of MMC homes as part of the development. 	5	September 2022	September 2023
2. Design for MMC							
	We need well designed homes that are fit for our social tenants of today and tomorrow. We need a process and delivery model that drives social housing delivery forward at scale and pace.	Use design and standardisation to build sustainable, better quality MMC homes, more quickly and cost effectively, whilst designing them for the benefit of tenants of today and tomorrow.					
2.1		Seek an increased build and operational quality for all social new build homes in Wales through implementing a standards approach to drive up the quality and number of new MMC social and affordable homes in Wales.	The Development Quality Requirement (DQR) refresh, Beautiful Homes Standard (BHS) will ensure that MMC is considered as a potential delivery solution for all social housing developments funded by Welsh Government.	<ul style="list-style-type: none"> Technical scrutiny under BHS will increase the number of MMC developments funding via Social Housing Grant. 	1	July 2021	March 2023
2.2		Better utilise Welsh Government social housing grant to drive the uptake of more MMC social homes.	Exploring links to how funding via Welsh Government's new social housing 'standard viability model' to encourage better value and higher quality social homes levelling the playing field for traditional construction and MMC.	<ul style="list-style-type: none"> MMC development increasing and increased value for money for Welsh Government housing investment. 	1	December 2021	December 2022

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2.3		Evaluate what role MMC plays in providing better designed and performing social homes.	Increased quality technical scrutiny process and post completion monitoring of social housing funded by Welsh Government.	<ul style="list-style-type: none"> Data compilation on types of house construction Welsh Government has funded in the past. More MMC monitoring resulting from the post completion monitoring process. 	4	December 2021	September 2023
2.4		Explore the implementation of a MMC pattern book and chassis approach for social housing developments that aligns with the new BHS, available 'open sourced' by social housing clients to increase the scale and pace of MMC and economies of scale for Value for money.	<p>Work with social landlords to understand housing portfolios, standardisation of portfolios and MMC manufacturers for their products ranges to see if there are synergies.</p> <p>Explore potential 'product innovation' approaches to this piece of work.</p> <p>Consult with technical specialists to ensure creativity and place making is fully considered as part of explorations.</p>	<ul style="list-style-type: none"> A better understanding of social landlords' requirements and whether standardisation of design is appropriate. Dialogue with MMC producers to ensure that they are ideally placed to respond to standardisation of products and design. Establishment of a Local Authorities social housing delivery working group. 	3	September 2022	September 2023
2.5		Seek to consider tenants views on their homes and promote the use of local lettings policies and take account of tenants preferences for MMC.	Encourage social landlords to adopt this practice.	<ul style="list-style-type: none"> High quality low carbon MMC homes for tenants. 	4	September 2022	September 2023
3. Performance MMC							
	Lack of evidence and confidence in MMC as a suitable delivery model hinders delivery	Demonstrate and realise the increased building performance of MMC					
3.1		Seek to at the forefront of UK and international best practice work to demonstrate and measure the benefits of MMC in housing.	Incorporate best practice and evidence gathering as part of a UK wide approach to MMC implementation in the housing and construction sectors.	<ul style="list-style-type: none"> Becoming members of UK wide best practice research (e.g. AIMCH) and access to information and data to inform Welsh Government policy decisions to 	1	September 2021	September 2022

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				drive MMC social homes forward at scale and pace.			
3.2		Monitor building performance of MMC schemes funded via Welsh Government and feed into UK data sets.	Increase post completion scrutiny of all schemes funded by Welsh Government. Continue IHP learning and monitoring.	<ul style="list-style-type: none"> Utilisation of information and data to inform our policy decisions to drive MMC social homes forward at scale and pace. 	2	April 2022	April 2023
3.3		Consider the 'lived in' and tenant experience to understand how MMC performs and in real time living and shape future iterations of MMC design.	Utilise research from IHP and academia as well as engaging with RSL tenant engagement surveys to produce evidence and data to inform policy decisions on MMC delivery.	<ul style="list-style-type: none"> Utilisation of information and data to inform our policy decisions to drive MMC social homes forward at scale and pace. 	3	April 2022	April 2023
3.4		Seek to change perceptions of MMC to become the solution of choice for housing delivery in Wales.	<p>Using leading best practice, evidence and monitoring.</p> <p>Incorporate outcomes from the financial and assurances workstream with social landlords to raise awareness of the benefits of MMC alongside to 'myth bust' concerns around MMC.</p> <p>Gather 'MMC evidence base' and disseminate to social landlords.</p> <p>Gather evidence on whether MMC costs compared to traditional build techniques.</p>	<ul style="list-style-type: none"> Utilisation of information and data to inform our policy decisions to drive MMC social homes forward at scale and pace. 	1	December 2021	December 2022
4. Procurement MMC							
Procurement models in construction and housebuilding typically drive low cost, rather than seeking high value/whole life cost approaches. MMC cannot currently compete like-for-like against well-	Use appropriate procurement models to increase the amount of social housing built using MMC						

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established traditional house building approaches.							
4.1		Explore with social landlords the current routes for social housing procurement in Wales and use of existing procurement models. Understand if these methods are hindering MMC delivery and explore with procurement experts how this can be overcome in line with current procurement law and rules.	Engage directly with social landlords in Wales and establish a task and finish group to explore barriers with existing and forthcoming public procurement regulatory framework. Link in with local authority development teams as part of local authority building at 'scale and pace' work to explore collaborations towards more MMC developments. Commission specialist procurement advice and opinion on best procurement routes for increased MMC specification and delivery. Consult with Welsh Government Commercial Procurement team to provide guidance and options on best practice. Explore a standard procurement approach to complement standardised design and specification.	<ul style="list-style-type: none"> Exploring and implementing new and amended procurement models that will allow more social homes being delivered via MMC. Tailored procurement guidance to promote MMC specification and delivery. Alignment with the Themes Outcomes and Measure (TOMs) framework. 	2	December 2021	December 2022
4.2		Explore the use of procurement models to reflect whole life costs benefits of MMC - in particular the high value total expenditure ('tot-ex') approach rather than low cost upfront cap-ex and high maintenance cost approach.	Work with social landlords to understand the whole life costs approach to rental and tenancy. Commission specialist procurement advice and opinion on best procurement routes for more MMC specification and delivery in relation to tot-ex.	<ul style="list-style-type: none"> Task and finish piece of evidence work to review whole life costs of build and tenancy against MMC construction. Within the current procurement regulatory framework explore changes to procurement methods to take into account any cost benefits. 	2	March 2022	March 2023

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				Engage with the Construction Innovation Hub (CIH) value toolkit to test this approach to social housing delivery in Wales.			
4.3		Explore how MMC order pipelines for social housing delivery can maximise benefits for Welsh MMC businesses and its supply chain. Look at existing social landlord procurement models to ensure they are where allowed, backing Welsh Businesses and incorporate good practice initiatives, such as prompt payment and good supply chain practice between the MMC supplier, main contractors and social landlord client. Seek procurement routes that maximise supply chain opportunities for our indigenous Welsh supply chains, in particular the use of indigenous Welsh timber and steel supplies. This could include approaches such as Joint Bidding and engagement with the MMC supply chain to upskill in order to respond.	Engaging directly with social landlords in Wales and monitor current situation with a view to sharing best practise across social landlord procurement leads. Seek to integrate community benefit and Themes, Outcomes, Measures (TOMs) clauses into procurement contracts and explore implementation via Welsh Government funding for social housing. Explore the ability to have a policy presumption that Welsh timber is specified for use in all housing schemes we support. Explore implementing a specific procurement advice note (PAN).	<ul style="list-style-type: none"> Alignment with the Themes Outcomes and Measure (TOMs) framework. Enhanced community benefit and TOMs clauses in standard procurement models that back Welsh Businesses, including procurement policy direction on the use of locally sourced materials such as Welsh Timber and Steel. Alignment with the TOMs framework. 	2	March 2022	March 2023
4.4		Explore how social landlords can collaborate on MMC social housing pipelines, maximising economies of scale to create VFM for the public purse.	Investigating how social landlords, in particular local authorities, can work collaboratively to establish a procurement framework for MMC delivery.	<ul style="list-style-type: none"> Welsh MMC framework - either for Local Authority collaboration and 'buyers club' or open accessed framework (in line with current procurement regulatory framework) to allow easier procurement of MMC and direct benefits to our Welsh supply chain. Alignment with the Themes Outcomes and Measure (TOMs) framework. 	1	September 2021	September 2022

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4.5		Explore how the procurement of MMC in social housing can actively contribute towards wider Welsh Government social and economic gains – e.g. via the social partnership bill and TOMs.	Contribute towards an internal cross government working group to ensure Welsh Government policies align with the MMC strategy to maximise social, environmental and economic gains, linking with the foundational economy, better jobs closer to home and valley taskforce initiatives. Work with social landlords to ensure that gains in this areas are appropriately measured and recorded.	<ul style="list-style-type: none"> Increased integrated cross government policy delivery which will see MMC included in non housing related policies - including more focussed job creation and investment in MMC in deprived communities. Alignment with the Themes Outcomes and Measure (TOMs) framework. 	1	May 2021	May 2022
4.6		Seek fund and procure social homes in way that provides certainty of order pipeline to allow Welsh SME MMC producers surety to invest in their operations and maintain a skilled workforce and employment opportunities.	Work with the housing funding team to look at longer than annual cycles of SHG. Seek to produce a task and finish report in on forward pipelines and in line with the PDP for of the next 5 years to allow MMC producers to forward plan and make investments to ramp up production.	<ul style="list-style-type: none"> A task and finish report in on forward pipelines and in line with the PDP for of the next 5 years Amendments to Welsh Government procedures for the allocation of social housing grant. The increased use of Prior Information Notices (PIN) for buying organisations. 	1	September 2021	September 2022
5. Finance and accreditations MMC							
	MMC is still considered innovative and novel delivery model	Create confidence in MMC as a solution to build better social and market homes in Wales					
5.1		Seek to champion the adoption of standardised rings of assurance, warranties and accreditation to support lender and third party confidence in MMC. Explore the use unified technical assessment platform for MMC.	Coordinating action with the UK Government led MMC assurances group. Aligning work national assurance schemes (such as the National House Builders Council's - NHBC Accepts scheme).	<ul style="list-style-type: none"> Increased specification and confidence in MMC solutions. 	2	September 2021	September 2022

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5.2		Forge relationships with MMC producers in Wales to ensure they are supported to obtain necessary accreditations to allow their product to be used at scale, diversifying and innovating towards enhanced products of volumetric delivery.	Explore opportunities for business and innovation initiatives to allow companies to gain accreditations.	<ul style="list-style-type: none"> Increased opportunities for businesses to access business and innovation support for MMC producers in Wales. 	3	March 2022	March 2023
5.3		Work with existing construction and housing federations to explore MMC solutions for social and market homes delivery.	Forging relationships with the Welsh Government House Builders Engagement Programme (HBEP) to understand work in this area and barriers to delivery.	<ul style="list-style-type: none"> Increase in MMC market home delivery and additional community benefits in the construction supply chain to align with the TOMs. 	2	March 2022	March 2023
5.4		Explore opportunities in the existing Welsh Government financial support schemes such as Help to Buy, Self Build and Stalled Sites Schemes, to understand how more affordable/market homes built using MMC in Wales	Linking in with the Development Bank of Wales to explore if current housebuilding and property financial support mechanisms can be used to incrementally increase MMC in market homes and build confidence in the sector.	<ul style="list-style-type: none"> More homes being built using MMC. 	3	September 2021	September 2022
5.5		Explore opportunities for financial lending ability to increase ease of finance options for MMC development (for social and market homes).	Forging relationships with UK Finance and also the Development Bank of Wales to explore bespoke finance products for MMC social and market home delivery.	<ul style="list-style-type: none"> The development of a bespoke funding package for MMC if appropriate. 	3	September 2021	September 2022
6. Skills MMC							
Construction of homes is dependent on a skilled workforce to deliver the social homes we need. The UK is facing a construction skills crisis - MMC can be a	Ensure our workforce in Wales benefits from and supports the greater use of MMC in social housing.						

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solution towards this problem.							
6.1		Identify MMC skills and qualification provision requirements to support greater use of MMC and ensure our indigenous supply chain is appropriately skilled.	Working with Welsh Government skills colleagues, Qualification Wales, the Construction Industry) and Wales' three Regional Skills Partnerships to undertake a task and finish exercise to map the existing HE and FE provision in Wales, identify gaps in provision and make recommendations for future training needs.	<ul style="list-style-type: none"> Mapping exercise to review existing MMC skills provision. New and additional courses to complement MMC and non-traditional construction. 	3	March 2022	March 2023
6.2		Use MMC to improve the perception of construction and promote a new inclusive and diverse workforce to upskill for the future; diversifying the construction workforce and bringing in new entrants into the sector in Wales.	Work with CITB and construction and housing federations to promote the new types of MMC careers in construction to the next generation.	<ul style="list-style-type: none"> Additional skilled entrants into MMC employment opportunities Diversification of the skills from traditional to newer more innovative MMC skilled workforce. 	3	March 2022	March 2023
7. MMC Wellbeing of Future Generations							
MMC provides an opportunity to positively contribute to wellbeing goals in Wales.	Ensure that MMC to contributes to broader governmental economic social and environmental ambitions in Wales in line with the Wellbeing of Future Generations Act.						

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7.1		Work with MMC manufacturers in Wales to ensure they are supported to grow their businesses to meet the demand of MMC homes in Wales and further afield, to create and maximise opportunities for Welsh business and the supply chain.	Aligning activities with Welsh Government's 'Prosperity for all: Economic Action Plan' and Welsh Government business support to ensure that MMC businesses are able to access support.	<ul style="list-style-type: none"> Focus on MMC as part of Welsh Government's economic strategy for green growth. Alignment of MMC with the Welsh Government's 'green housing led recovery' initiative. 	1	September 2021	September 2022
7.2		Use MMC as a driver to maximise supply chain opportunities for our indigenous Welsh supply chains, in particular the use of indigenous Welsh timber and steel supplies.	Aligning activities with the Welsh Government's Prosperity for all Economic Action Plan and Welsh Government business support to ensure that MMC businesses are able to access support.	<ul style="list-style-type: none"> Focus on MMC as part of Welsh Government's economic strategy for green growth. Alignment of MMC with the Welsh Government's Green housing led recovery initiative. 	1	September 2021	September 2022
7.3		Use MMC as driver for high-value market for Welsh grown and processed timber and be a key driver for forest expansion in Wales.	Working with Forestry policy and Wood Knowledge Wales to promote the use of timber in construction and MMC.	<ul style="list-style-type: none"> Focus on MMC as part of Welsh Government's economic strategy for green growth. Support the Welsh timber sector to realise an increase in value for timber as a raw material. Increased use of MMC timber solutions using Welsh sourced timber. 	3	March 2022	March 2023
7.4		Use MMC as a driver to meet Welsh Government's targets on waste reduction and obligations under Welsh Government's Beyond Recycling circular economy policy through prioritising the use of wood and recycled content as well as prioritising re-used and remanufactured content in the goods purchased by the public sector. Examine how procurement rules can provide opportunities to supply low	Work with Waste Resources Action Plan (WRAP) to gather evidence towards the case for MMC. Ensure the new social housing DQR standard, Beautiful Homes and Spaces (BHS) aligns with circular economy principles. Seek to ensure that all social housing we fund incorporates at least 10% recycled content in the construction. Where appropriate utilise recycled timber and products that contain a high level of recycled wood.	<ul style="list-style-type: none"> Contributions to Welsh Government's waste policy targets and 10% recycled content targets. 	2	December 2021	December 2022

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		carbon products sourced locally in Wales.					
7.5		Use MMC as a route to meeting the recommendations of the Decarbonisation Advisory Group (DAG) aims and the delivery of near zero carbon homes.	Exploring how the MMC strategy links with DAG and the current round of building regulation refresh.	<ul style="list-style-type: none"> MMC homes providing the solution towards near zero carbon housing delivery. 	2	December 2021	December 2022