

Future Homes 2: **Imagine Better**



There is a growing expectation that the new government will prioritise the delivery of social housebuilding at scale. If they are to drive genuine social change, alleviating the UK's housing shortage means building homes that are fit for purpose and designed to house families for generations to come. If results under recent Governments are anything to go by, it's clear that delivering a rapid increase in social housebuilding needs a more imaginative approach.

In this paper, we ask industry experts if off-site construction could hold the key to addressing the housing crisis. And, if it does, does this country have the imagination - and the will - to choose what might be considered a 'radical' option?

These are difficult times for social housing providers.

It is estimated that 90,000 new homes need to be built every year for a decade to put an end to the housing crisis. But in the last 12 months, fewer than 5,000 were completed¹ – a disconnect between expectation and reality that puts the scale of the challenge into stark focus.

On one side of the equation, decreasing budgets are under increasing pressure. The imperative to repair and retrofit existing homes to address maintenance and safety issues like mould, damp and energy efficiency has not only driven up costs for housing associations, it has also diverted funds away from developing new properties.

On the other side, providers are also seeing a significant fall in rent revenues, with government cuts and caps enforced on the rent paid by social tenants leading to a fall in rental income of £3billion in the last 12 months.²

With that in mind, if the new Government's pledge to deliver '... the biggest increase in social and affordable

housebuilding in a generation...' and '... more homes from existing funding...' is to stand any chance of becoming reality, the housing sector has to look beyond its 'business as usual' model and seek a more imaginative approach to building high quality social housing.

But how did we get to this point?



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FUNDING AN ISSUE

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The resulting cuts in local authority housing budgets were disproportionately severe. Since 2010, local authorities' overall core funding per person fell by an average of 26% in real terms - but over that same period housing spend fell by 44% per person. Despite some improvement, spending on housing remains down by a third.⁴ In line with that, recent figures suggest that housing associations in England have reduced their planned spending on new affordable homes by 9% - or £1.5 billion - for 2024, compared to the previous year. Over the next decade, there is an anticipated 15% reduction in spending - a further cut of £20 billion.⁵

And, in a bizarre twist, many local authorities are facing financial meltdown unless more social homes are built - having spent more than £1bn in the last year on temporary housing for people on waiting lists.¹

We spoke to Dr Mike Siebert of Nottingham Trent Universities school of architecture and Will Jones, Marketing and Digital director of Saint-Gobain Off-site solutions - and they agree that funding social housing poses a major challenge. Seibert says: "Government policy doesn't provide the funding needed at a local level - either through local authorities or housing associations - to do social housing properly."

Jones is equally forthright in his take: "There just needs to be more funding from the Government, directly into affordable and social housing projects to build more homes. The single, most impactful thing they could do is just put the money in place to do it."



Will Jones Marketing and Digital director of Saint-Gobain Off-site solutions

Indeed, it's an issue recognised at the highest level in the housing sector. Speaking on a recent report commissioned by the National Housing Federation (NHF) which examines how the government can deliver on its new homes target in the current housing and economic climate, NHF Chief Executive Kate Henderson says: "An immediate and substantial boost in investment and funding for new affordable homes, particularly those for social rent, is the best way for the government to meet its housing targets and its ambition to build a generation of new social homes." ⁶

"Housing associations are ready to work with the government to end this crisis, but they are under huge financial pressure due to rent caps, increased spending on improving the quality of their existing homes, and building safety costs, which has affected their ability to build. Ahead of the Autumn Budget, we're calling on the government to rebuild capacity within the social housing sector by providing long term certainty on rent policy, funding for investment in existing homes, and boosting and extending the Affordable Homes Programme."⁶

Such high-level endorsement confirms that turning on the funding taps would make a major difference. But with the

clock ticking on a deepening housing crisis, no-one can afford to wait for that to happen.

AN OPPORTUNITY FOR INNOVATION

Mike Siebert sees the lack of funding as an opportunity to think outside the box: “The social housing sector is always struggling to fund itself - but that’s always where innovation happens. It’s always looking for ways to do things differently, which means finding solutions that will save money and increase productivity.”

“That’s why off-site manufactured housing is a great fit for the social housing market. Social housing is all about quality and, with off-site manufacturing, you’re definitely going to get a higher quality.”

“The social housing market is interested in the quality of the build because they’re going to have to look after them for the next 60 years,” says Siebert. “They want them to be low-maintenance, so they use better quality materials that are longer-lasting. Providers want a level of standardisation too, because they have to maintain their properties over the long-term - and the more standardised the houses are, the easier it is for them to manage their maintenance programme.”

Will Jones agrees: “Some of the challenges facing the housing sector can be resolved by a degree of standardisation of housing design and output. I don’t think we want to get back to building identical boxes on estates where every house looks the same, but you can do a lot with the internal standardisation, which allows you to deliver at more pace, while still making the externals look different and architecturally interesting.”

TAKING THE WRONG APPROACH?

Will Jones says: “The industry in the UK is not traditionally set up for flexibility of delivery. Therefore, we might have to think about how we encourage small and medium developers in that space and enable them to pick things up at a local level - especially if we want to see an increase in smaller, localised developments.”

A GREAT FIT FOR SOCIAL HOUSING

We believe that off-site manufacturing is a great fit for the social housing sector - with clear advantages of building good quality homes, to a consistent standard, that people want to live in.

Similarly, Ben Townend - design and technical lead at Great Places Housing Group - thinks that off-site manufacturing can have a real impact on the housing crisis.

With responsibility for managing the design, quality and compliance of their homes, he’s at the sharp-end of delivery: “MMC has a part to play in terms of material efficiencies, repeat components, material passports and recycle/re-use at the end of the lifecycle.”

“Off-site build is also key to increasing Pre-Manufactured Value (PMV), which is shown to increase the certainty of outcomes - the more PMV you have, the more certain you are that the performance is going to be as designed. 66% of our pipeline over the last year was delivered in a mode of MMC - primarily timber-frame panellised construction, but also some light gauge steel structures with pre-cast elements.”

Townend also sees basic advantages over block and brick build: “Timber frame is a great route for us because it

gives us enhanced fabric performance. For example, we can increase the cavity to 150mm and add an extra 50mm of insulation without increasing the footprint of the dwellings.”

Given his responsibility for quality, does off-site manufacture allow him to spec. with confidence? “Yes. I think, if anything, it enhances it and that comes through in terms of performance. If panels are pre-assembled and pre-fitted with insulation, you know that there’s a quality control procedure in place. That makes it less likely that there will be gaps in installation, because it’s been inspected.”

Add to that the savings that can be realised through the speed of delivery and the reduction in energy and resources used – plus the ability to get tenants into homes much more quickly than you would using traditional brick and block construction - and you can begin to see a case for adding off-site manufacturing to your development strategy.



Ben Townend

Design and technical lead
at Great Places Housing
Group



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CONCLUSION

If we are serious about delivering the biggest increase in social housebuilding in a generation, we simply can’t afford to keep repeating the behaviours that have led us into the current housing crisis. The sector needs to shed its prejudices, its perceptions and its desire to cleave to failing policies and practices.

Through successive Governments, we’ve seen traditional design, procurement and construction methods fail to deliver any meaningful change, so there’s everything to gain from taking a more imaginative approach.

Off-site manufacturing offers not just a faster, easier way to build high quality homes for tenants, it also delivers the consistency, energy performance, longevity, ease of maintenance and long-term value that social housing providers are crying out for.

But with little sign of movement from Whitehall, we recognise that change will have to come from within the sector.

From housing associations and local governments to developers, contractors - and even national and regional house builders - Saint-Gobain is already helping innovative people design and build better homes more easily, more quickly and more sustainably.

We’re happy to guide them through

the process from the conception of a project to completion. We'll even stay in touch with projects to support with maintenance, repair and refurbishment of the properties.

So if you have land available for development – and the imagination to make it happen – we can help you design not only better homes, but also advise on the best way to construct them.

Sources

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