

MINUTES OF THE EXECUTIVE MEETING**Friday 28 September 2018**

Engineering Employers' Federation

Broadway House, Tothill Street, London SW1H 9NQ



Present: Roy Perry (Chair)
 Ralph Bagge
 Paul Bettison OBE
 Andrew Bowles
 Jeanette Clifford
 Ian Corben
 John Furey
 Matt Furniss
 Lynne Hack
 Eileen Lintill
 Tony Page
 Stephen Parker
 Carole Paternoster
 Bob Standley
 Clive Woodbridge

In Attendance: Paul Kitson, General Manager South East, Homes England
 Ian Corkin, Non Executive Director of Graven Hill Development Village Bicester and member of Cherwell DC & Oxfordshire CC
 Graham Howard, Berkeley Group
 Kate Herbert, LGA
 Angela Kawa, LGA
 Heather Bolton, SEEC
 Nick Woolfenden, SEEC
 Hayley Austin, SEEC
 Neil Border, SESL

1. Apologies, declarations of substitutes and declarations of interest

1.1 Ian Corben substituted for Keith House. Apologies came from Tim Wheadon, David Monk, Stephen Holt, Peter Chowney, Paul Carter, Jason Brock, Chris Townsend, Nicolas Heslop, James Mills and Moira Gibson. Appreciation of the work of former SEEC Chairman Nicolas Heslop over the past 3 years was put on record by the new Chairman Roy Perry.

2. Modular building: a solution to South East housing pressures and speed of delivery?

2.1 The Chairman introduced Paul Kitson from Homes England, Cllr Ian Corkin from Graven Hill Development Village, Cherwell DC & Oxfordshire CC, and Graham Howard from Berkeley Group.

2.2 Paul explained Homes England (HE) was launched in January 2018, replacing the Homes and Communities Agency. HE is Government's land and investment agency, to help meet the national aim of 300,000 new homes pa and improve affordability. Its levers include loans and grants to the private sector; selling/buying land to facilitate housing; identifying how to develop skills and expertise; and use of compulsory purchase powers. It also has the ability to act as a local planning authority in extreme cases of poor local performance by councils. HE's approach to modular/modern methods of construction (MMC) is developing. HE is working with partners to help change any negative perceptions about MMC; test the market for different models/approaches; identify how MMC can contribute to overall housing delivery; and develop case studies.

2.3 Ian explained that Graven Hill in Bicester – on ex-MOD land – is the largest self-build project in Britain and the second largest in Europe. It is run by a council-owned delivery company established in 2014, which aims to build 1,900 homes within ten years or so. The site offers a mix of products such as self and custom build and aims for 30% affordable housing. Graven

Hill promotes modular construction for its self and custom built homes and Cherwell has developed a mortgage offer for self builders. Sections of homes are constructed away from the building site and delivered to the plot. The benefits of this include speedier construction, reduced on-site health & safety risks, design flexibility and choice, consistent quality, waste reduction and cost certainty. This approach can also help mitigate potential skills shortages. The greatest benefits come with repetition and scale, and production of units as locally as possible to reduce transport costs.

2.4 Graham explained that Berkeley Group is committed to 30% of its construction being delivered through off-site assembly by 2020. Berkeley sees modular as a way to help tackle challenges facing the residential development sector, including skills shortages, quality of labour, low productivity, safety performance, poor weather slowing delivery, cost of labour, and materials logistics. Construction of a new Berkeley manufacturing facility in Kent is underway which offers 150,000 sq ft production space. The factory will produce modular homes or sections (pods) for use in Berkeley developments, maximising use of standard components. Ensuring solutions are scalable will be vital to achieving production economies. Berkeley plans to use modular sections for both low rise homes and for apartments up to 20 stories high. It is aiming for 20-25% of Berkeley's average 4,000 homes a year to be produced at the Kent factory by the end of 2021, with many of the elements taking just 49 minutes to manufacture. Berkeley is working with local colleges in Kent to develop local skills to fill the jobs that will be created.

2.5 In discussion, members raised points including:

- Examples of 'pop-up' on-site modular factories on local South East developments, but there was general agreement that permanent factories located where they can deliver large scale production to serve the South East's needs would be more cost effective longer term.
- Interest in HE's land disposal plan.
- Potential cost benefits of modular construction vs traditional methods on council-owned land.
- Concern that some mortgage lenders are not yet giving loans for people who want to buy modular homes.
- The importance of collaboration between the public and private sector to help deal with risk during the early stages of modular market development.
- How councils can best take forward development themselves if they do not have a Housing Revenue Account eg. via a housing company.
- The role modular construction might be able to play in new garden towns.
- The importance of extending the construction skills pool for new modular methods, rather than just diverting it from traditional building.
- Speakers invited SEEC members to visit modular homes being delivered at Graven Hill and at Berkeley's Kidbrooke housing development.

ACTION 1: An invitation to visit Berkeley and Graven Hill sites has been sent to members via SEEC secretariat. Responses should be sent to admin@secouncils.gov.uk

ACTION 2: SEEC secretariat to circulate links to speaker presentations for [Paul](#), [Ian](#) and [Graham](#) and [HE land disposal plan](#).

3. SEEC business plan 2018-19

3.1 Members agreed the draft business plan in principle. Consideration should be given to whether skills/apprenticeships and Brexit could be incorporated. LGA explained it is setting up Brexit sounding boards, which SEEC members may want to be involved in.

ACTION 3: The final SEEC business plan to be presented to November Executive.

4. South East implications of new NPPF

4.1 Nick Woolfenden updated members on the new National Planning Policy Framework (NPPF) which was published by MHCLG on 24 July. During discussion members raised issues including:

- Concerns around self-build houses and small sites not being required to pay towards infrastructure costs, as they fall below the 10 unit threshold for contributions.

- Frustration that Government implemented the housing delivery test on councils, but without sufficient tools for councils to tackle slow delivery of approved permissions by developers.
- Ongoing need to press Government for discretionary council powers to incentivise housing delivery by charging a proportion of council tax on sites where permission has been granted.
- The importance of councils having flexibility to ensure locally-appropriate use is made of Green Belt.

ACTION 4: SEEC to write to Housing Minister Kit Malthouse outlining ongoing member concerns.

5. Latest SEEC activity report and updates

a) 'Smaller party' seats on SEEC Executive 2018-19

- 5.1 After consulting four political parties, it was agreed that Clive Woodbridge (Residents' Association) from Epsom & Ewell BC and Chris Townsend (Ind) from Surrey CC would share a 'smaller party' Executive seat, alternating attendance at meetings.

b) London Plan Examination in Public and Wider South East political liaison

- 5.2 Draft EiP matters and invited participants have now been published, offering SEEC the opportunity to participate. SEEC will liaise with SESL and respond to the draft proposals to ensure South East council views are represented.

c) SEEC input to Government: 2019-20 Local Government Finance (including negative RSG); Using Right to Buy receipts; Potential for pre-Budget submission

- 5.3 A response has been submitted to the Local Government Finance consultation as well as a SEEC pre-budget submission. Members agreed key points for inclusion in SEEC's forthcoming response to consultation on use of receipts from Right to Buy sales.

ACTION 5: SEEC Right to Buy response to be submitted and [Pre-budget submission](#) to be circulated to members.

d) South East Roadshow for LGA Post-Brexit Commission

- 5.4 SEEC is working with the LGA on a South East Brexit roadshow for 18 December 2018, to contribute to LGA's Post-Brexit Commission on the future of non-metropolitan councils in England. There is limited capacity so members are advised to book early to ensure a place.

e) SEEC communications update: Skills and social care [briefing for MPs](#); MJ [article](#) on South East infrastructure investment needs; Full [data dashboard](#) published

- 5.5 Members were provided with links to copies of all three documents.

f) Full programme of SEEC meeting dates 2019

- 5.6 Members noted dates of future meetings.

6. Minutes and matters arising

- 6.1 The minutes were agreed as a true and accurate record. There were no matters arising.

7. Confirmed forward meeting dates:

- 30 November 2018 – SEEC Executive (shared date with SESL).
- 18 December 2018 – South East roadshow for LGA Post-Brexit Commission.
- 11 January 2019 – Wider South East Summit with London Mayor. Invitations to be circulated in November.
- 31 January 2019 – SEEC All-member meeting.

8. Any other business

- 8.1 SEEC and SESL have recently sent a joint response to LGA's social care green paper.

ACTION 6: SEEC to circulate the [response to LGA's social care green paper](#) to members.

- 8.2 The Home Office has set up a team working on the implications of Windrush. SEEC can put members in touch with them if they are affected by these issues in their area.

8.3 SEEC has an opening for a junior policy secondment from a member council.

ACTION 7: SEEC to circulate link to Home Office Windrush guidance.

ACTION 8: SEEC to circulate a job description for the policy secondment

8.4 It was also suggested that it may be helpful for SEEC to produce a note for members explaining the work and aims of the Wider South East political joint working with GLA.

8.5 There was no further business and the meeting closed at 3.30pm.