**Supplementary information regarding advanced housing manufacture**

**Q. What do you mean by advanced housing manufacture?**

A. The HCA wants to encourage any construction innovation which improves value for money or lowers whole life cost, speeds delivery, enhances the performance of homes, or diversifies the supply chain. We are looking to the affordable housing sector to take up the challenges of the joint industry-Government strategy for [construction](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210099/bis-13-955-construction-2025-industrial-strategy.pdf).

Government is particularly keen to develop capacity for advance housing manufacture, whether through off-site factories or dedicated on-site facilities. This might involve a range of techniques, from structural insulated panels through to volumetric components.

**Q. Why are you promoting advanced housing manufacture?**

A. Historic actions to promote modern methods of construction relied on top down targets and prescription. This is a different approach: we want to encourage bottom-up innovation utilising techniques which work for our delivery partners.

The Housing Minister Brandon Lewis said to the 2014 National Housing Federation conference: “I also want the whole housing industry to consider how they can use innovative construction methods. Offsite construction not only creates high quality, affordable homes, it also delivers them quickly. … These techniques are widely used on the continent, but have been neglected in the UK. We need to catch up. That’s why the government will be supporting this type of innovation through the [Affordable Homes Programme](http://www.homesandcommunities.co.uk/affordable-homes). …It’s attractive for providers of affordable homes – because you will be able to access the rental stream more quickly.”

**Q. Is advanced housing manufacture a new theme for CME?**

A. No. Page 16 of the Prospectus for the AHP 15-18 sets out how bidders should demonstrate their approach to achieving construction and procurement efficiencies, and around a fifth of homes allocated funding in the initial bid round will use advanced housing manufacture.

However we do now want to send this message to providers even more clearly.

**Q. How will advanced housing manufacture be considered in assessment?**

A. As stated in the Prospectus, assessment is based on value for money, delivery, and meeting local needs. Bottom-up construction innovation can help deliver against these, for example through lower costs or quicker delivery.

We will monitor the level of construction innovation in the Programme throughout CME, looking to build on what has already been achieved in the initial bid round. We will challenge providers who we believe could gain from a more innovative approach.