



108 – 110 Judd Street, London, WC1H 9PX

Tel: 020 7691 0220 Fax: 020 7813 3060

email: [team@thehousingforum.demon.co.uk](mailto:team@thehousingforum.demon.co.uk)

[www.thehousingforum.org.uk](http://www.thehousingforum.org.uk)

Kate Barker  
Barker Review of Housing Supply  
1 Horse Guards Road  
London SW1A 2HQ

15<sup>th</sup> August 2003

Dear Ms Barker

In response to your initial consultation on the responsiveness of new housing supply to rising house prices, I am writing to inform you of the work of the Housing Forum, to present you with our initial thoughts and to request the opportunity of a meeting with you.

The Housing Forum was set up in 1999 as a response to the Egan report 'Rethinking Construction' to promote radical change in housing construction. By the end of its first three year period it had:

- Established a membership network spanning all sectors of housing construction – private, public and social, which included representatives from the whole supply chain who wished to participate in a movement for change
- Attracted over 100 projects to its demonstrations portfolio which is being monitored on performance against industry key performance indicators
- Initiated the first national satisfaction survey of customers of speculative house builders
- Published four reports on the lessons from the demonstrations, and a further nine reports on specific topics to encourage innovation
- Set up a Benchmarking Club for the housing construction sector.

Our focus was, and continues to be, the need to promote efficient and cost effective competition through partnering and Best Value procurement. We have gained, through our network and demonstrations portfolio, considerable insight into the changes taking place in behaviour of the house building industry and the role of competition, from a variety of different perspectives.

We work closely with DTI and ODPM, and have had some input into the 'Sustainable Communities: building for the future' agenda. Our particular strength is the ability to take soundings from our wide cross sector network on a number of key issues, e.g to explore the issues of the industry with respect to both the delays and the slow take up of the Private Finance Initiative.

In response to the specific issues raised in your letter:

- **Land constraints** – please see attached a paper prepared for one of our working groups on the Planning System. Many of the issues raised in connection with modern methods of construction we understand apply equally to all requests for planning consent, i.e. an arbitrary approach by local authorities which reduces transparency and creates delay.
- **Industry constraints** - we currently have three ad hoc working groups looking at the three key issues identified by our Board in April 2002 as being those that potentially have the most impact on the future development of the industry.
- *Off Site Manufacture/ Modern Methods of Construction*  
We have commissioned Imperial College Business School (Prof. David Gann) to investigate the capacity of the industry in connection with the targets set out in ODPM's Sustainable Communities Plan, to identify any barriers to the future development of this form of construction and to produce a Directory of Suppliers.

A linked piece of work to this is an exploration of the idea of incentivising developers and house builders using products manufactured on a large scale (as opposed to the slower pace of traditional work on site). We intend to explore this further following the delivery of the results of the Imperial College research in October

We are also in the process of making a video/AV presentation to raise awareness generally of new methods of construction.

- *Regeneration and Sustainability*  
We are investigating ongoing barriers to change in the work involved in the regeneration of communities, with a specific focus on procurement and partnering through the whole supply chain to ensure that efficiencies are taken into account at design stage.
- *Labour and Skills*  
We have commissioned Westminster University (Prof. Linda Clarke) to survey the house building industry to provide details of labour and skills shortages to complement the industry wide figures held by CITB, and to identify good practice in recruitment and retention of staff to promulgate to the rest of the industry. This will be, to our knowledge, the first time that figures specifically for the housing sector are produced on the same basis as for the whole of the construction industry. We will then be able to explore factors affecting any differences. The initial results of this research will be available in late October.

We have also started a new project with CITB to work in inner city areas on demonstrations involving large scale housing construction

contracts to promote increased training in the industry, which we hope will provide models for the future.

- ***Policy Environment***

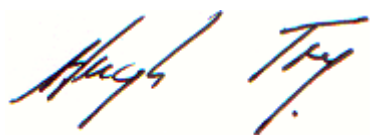
Whilst the policy environment obviously affects the ability of the industry to deliver more homes, faster and to higher standards, our work with our demonstrators has revealed that a key inhibitor to innovation is cultural. Many of our demonstrations and those involved in our network are testimony to the fact that where an individual or organisation is committed to making new ideas work, they are usually successful in the end. Undoubtedly appropriate changes to systems and guidance would have made their experience easier and will be required to encourage others.

- ***Social Housing and rental sector***

At least one of our demonstrators is involved in building and providing affordable housing independently. We are beginning to see a flow of ideas across sectors which could eventually break down the rigidity of the former structure of housing provision.

All of the research work described above is due to complete in the autumn this year. I would very much welcome the opportunity of meeting with you in the early autumn to inform you of the results of our research and how they might also inform your review.

Yours sincerely.

A handwritten signature in blue ink, appearing to read 'Hugh Try'.

Hugh Try  
Chairman