



West Midlands
Combined Authority

Housing & Land Delivery Board

Date	7 September 2020
Report title	Advanced Manufacturing in Construction (AMC) Routemap
Portfolio Lead	Councillor Mike Bird, Leader, Walsall Council
Accountable Employee	Gareth Bradford, Director of Housing & Regeneration, WMCA Patricia Willoughby, Head of Policy (Housing & Regeneration) Senior Reporting Officer, WMCA Rachel-Ann Atterbury, Policy Advisor, Report Author
Report has been considered by	A presentation covering the structure and broad contents of the routemap was given to and endorsed by Delivery Steering Group. (13 August 2020)

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is asked to:

- 1) **Agree** the structure and format of Part 1 of the AMC routemap (Appendix 1)
- 2) **Agree** the proposal to explore options for implementing the routemap's recommendations between now and the October meeting.
- 3) **Note** the intention to complete Part 2 of the routemap over the coming month, and bring both parts of the routemap to be agreed at the October meeting
- 4) **Note** the routemap is directly informing negotiations underway with HMG on securing a £50m enabling fund to support Advanced Manufacturing in Construction

1.0 Purpose

- 1.1 The purpose of this paper is to update the Housing & Land Delivery Board on the work undertaken by WMCA, the AMC Officer Working Group and Expert Advisory Group in

producing a bold routemap for accelerating the Advanced Manufacturing in Construction industry and takeup in the region.

2.0 Background

- 2.1 At its 15 January 2020 meeting, the Housing & Land Delivery Board received an update on the work on AMC in the region - a key programme under the Board's Annual Business Plan and central to delivery of other programmes such as brownfield regeneration, housing delivery, inclusive growth and zero carbon homes.

Despite opportunities presented by the AMC sector, there are still a number of barriers to uptake - the majority of which exist at a national scale. Central to this issue is that the AMC industry is still in its infancy and escalating production at a local or regional scale is likely to require significant changes to traditional construction processes, including skills programmes, financing, procurement and approaches to standardisation. For this reason, it is not possible to simply raise the AMC pre-qualification target and expect the market to deliver.

- 2.2 It was agreed, therefore, that WMCA would develop a **comprehensive AMC routemap and strategy**. The routemap would set out the purpose of and aspiration for AMC in the region, and detail the key steps required to deliver these aspirations in the short and medium term. The routemap would ensure the region's approach focuses not just on investing in more AMC units, but on wider changes to the construction industry in the West Midlands that also deliver inclusive growth, social value, quality and improved environmental performance. It

- 2.3 To ensure that the routemap is accessible to those less familiar with the AMC sector, but robust enough to inform credible actions, a two-part structure was proposed and agreed by the Board in April 202:
- Part 1 - An Executive Summary - which would be a standalone, focussed and accessible document. The summary would broadly address the opportunities and challenges provided by AMC, and the key strategic and policy drivers for the West Midlands. As well as this, it would suggest short, medium and long term actions, with recommended next steps.
 - Part 2 -A detailed report – which would underpin the summary, providing a comprehensive and robust evidence base and analysis of the AMC sector in the West Midlands.

- 2.4 In July 2020, a presentation was given to the Board detailing the research undertaken to date to clarify the position of the AMC sector in the region and inform the routemap. The research strands reported covered the following areas:

- **Economics:** Collating information on the current size and potential growth of the AMC sector, scale of the local proposition, understanding the local construction sector and quantifying potential AMC benefits.

- **Local supply chain:** High-level mapping of the local AMC eco-system, including manufacturers, contractors and supply chain partners.
- **AMC/MMC skills:** Analysis of the local skills and training environment with a focus on current AMC/MMC provision.

- 2.5 Based on this research undertaken and the extensive input from the AMC Expert Advisory Panel and Officer Working Group, Part 1 of the routemap (Appendix 1) has been produced and WMCA is seeking comments on this part of the routemap today from the Board. This has been subject of engagement and co-development with DSG, AMC Officer Group and AMC Expert Panel.
- 2.6 Part 2 of the routemap will include the detailed findings of the research and analysis, will be brought to Board in October.
- 2.7 Concurrently, WMCA has been developing a business case for an AMC Acceleration Fund, to facilitate uptake of AMC in the West Midlands and establish the region as a centre of excellence for digital and advanced construction technologies. This additional funding would support growth of the region's AMC skills, supply chain, innovation and reasearch as well as delivery of AMC units on the ground.

3.0 Next steps and Implementation

- 3.1 WMCA will make any necessary amendments to Part 1 of the Routemap between now and the October meeting, at which point both parts of the routemap will be finalised. WMCA will look to formally launch the routemap in Winter 2020/21.
- 3.2 Subject to the Board's agreement, WMCA, in collaboration with the officer working group and expert advisory group, will begin to explore options for implementing the recommended short-term actions in Part 1. This will enable early progress to be made ahead of the routemap's launch this Winter.

4.0 Financial Implications

- 4.1 There are no direct financial implications from the information contained in the report. The Single Commissioning Framework provides a single set of criteria and governance systems that will be applied to all applications for available devolved WMCA Housing, Land and Property Development funds, together with a consistent process and timelines for decision.
- 4.2 WMCA investment in any proposed Advanced Manufacturing in Construction projects would be governed and administered through the Single Commissioning Framework, WMCA Assurance Framework and in line with the accounting and taxation policies of the WMCA and HMRC.

5.0 Legal Implications

- 5.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA a power of competence appropriate for the purposes of carrying-

out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any economic development and regeneration in the constituent councils are exercisable by WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.

- 5.2 It is noted that the purpose of this paper is to update the Housing & Land Delivery Board on its decision to move towards mainstreaming AMC on sites coming through the Single Commissioning Framework for WMCA investment and the decision to produce a new regional AMC strategy and routemap. Legal advice should be sought as and when required in the development of the AMC strategy and routemap. Any additional requirements identified as a result of the research and analysis on the effectiveness of the AMC requirements in the Single Commissioning Framework should be reflected in the relevant funding agreements on a case by case basis through agreed wording.

6.0 Equalities Implications

- 6.1 There is no equality impact in relation to this report.

7.0 Inclusive Growth Implications

- 7.1 The research presented at this meeting will be used to inform WMCA's approach to growing the AMC sector in an equitable way, maximising economic benefits, housing quality and job/skills opportunities across the region's communities.

8.0 Geographical Area of Report's Implications

- 8.1 The research presented applies to the whole WMCA geography. The proposed AMC Charter and routemap would be used to guide WMCA investment decisions across the whole geography of the WMCA area.

9.0 Other Implications

- 9.1 There are no other implications.

10.0 Schedule of Background Papers

- 10.1 There are no background papers.