

1. futureproof: Executive Summary

futureproof is a means of accelerating the delivery of quality homes and mitigate against the current housing shortage. This project developed and financially tested the concept.

In 2017, Daedalus Environmental set out to create 'futureproof' to deliver genuinely sustainable development, 'fit for 2050'. After two years of research and consultation futureproof had emerged as a credible idea that was based on four fundamental changes to the "failing Housing Market" that would improve the current housing shortage.

- The re-allocation of part of the standard (and typically extremely high) developer profit margin to the housing product.
- Improved design, build, and sustainable communities.
- Opening the market to a full range of tenures.
- Changing the typical housing investment model.

The overall context of the project is SELEP's economic strategy statement 'Smarter Faster Together'. This sets the ambitions for the south east economy, which include tackling housing shortages, relieving pressure on infrastructure and improving skills across the workforce. The futureproof hypothesis embraces key elements of this economic strategy by:

Working SMARTER: Increasing the productivity of the South East LEP area, in this case through the exclusive use of Offsite Manufacture

Delivering FASTER: Accelerating housing and infrastructure delivery to meet planned growth. FutureProof provides a range of innovative solutions including a faster approach to a zero-carbon economy.

Working better TOGETHER: Futureproof offers a collaborative solution with Government, the public and private sector for the delivery of housing and infrastructure across the greater south east for the benefit of all.

In line with government policy, SELEP is committed to developing new approaches to delivery including adoption of off-site construction, diversifying the market, and supporting SME developers. SELEP's housing growth plans are also focussed on the need for place making and improving the sustainability and quality of housing development.

Since its inception, the South East LEP (SELEP) has prioritised the acceleration of housing development and infrastructure delivery.

The SELEP Strategic Economic Plan set a target of achieving an additional 100,000 homes by 2021 and 300,000 new homes by 2031. In 2017/18, 12,000 housing completions across the SELEP area were achieved, which is a 70% increase since 2013/14.

However, SELEP's in a recent Strategic Economic Statement recognises that "completions continue to lag behind planned need" and that "housing affordability remains a key challenge" as the ratio of house prices to earnings is above the national average.

A successful bid to SELEP's Sector Support Fund. Funding was agreed in late autumn 2018 and the project formally commenced in January 2019 and finished in November 2019 to test these ideas and the hypothesis that futureproof offered a radical alternative to the current house building market.

We set out to test:

- Whether long term, low-cost institutional finance could secure acceptable returns on a much longer basis (over the whole lifecycle of the property), but at a much lower rate.
- if we allocated risk within the construction process to those best placed to deal with it, would delivery cost margins inevitably come down.
- If creating a more efficient, systems-based, highly collaborative approach to construction that incentivises the delivery of outcomes rather than simply contracts for 'works completed at a rate of £X/bit of work'.
- The requirement for high quality products to deliver a level of performance in over 60 years' time that can be assured now.
- The effect of Industry standard service to consumers including new approaches to tenure.

The work showed that there is a credible alternative to the current delivery mechanism of housing and the combination of the four original ideas led this successful proof of concept project. The results were sufficiently robust to be awarded a significant Innovate UK grant to take futureproof to the marketplace by the end of 2021.

IN SUMMARY: the accelerated delivery of communities where people aspire to live, with climate change mitigation and resilience at its heart was the key outcome of this research project.