



Department for Levelling Up,
Housing & Communities

Lee Rowley MP

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Lord Moylan
Chair, Built Environment Committee

20 March 2024

Dear Lord Moylan,

I would like to thank you and the Committee for your letter of 26 January setting out your conclusions and recommendations following your inquiry into Modern Methods of Construction (MMC) in the housing sector.

Your report is extremely helpful in articulating the areas of future focus and a number of key questions which absolutely do need further consideration by Government. I am genuinely grateful for your time in investigating this and convening this timely assessment of the sector and the role of the state in its development.

As you and your committee members know, the Department has a long-standing policy of promoting and supporting MMC, and we have developed a range of interventions designed to tackle the barriers to growth that the sector has periodically faced. This is a policy that has been in place since 2017 and these interventions have previously been designed to help the sector grow organically; to increase the pace of MMC adoption; and to encourage private investment in the sector more widely.

As you and the Committee are aware the MMC sector has had a number of successes. At the same time, and as we discussed, it is also the case that the sector is facing challenges, and that there are clear questions which now need to be reviewed, and answered in detail, about where the sector currently is, where it is going and what role the state will play in the future. We all have the shared ambition of seeing MMC play a continuing role in the provision of additional homes for the next generation but, at the same, there are clearly broader discussions to have about what can, and what should, be done in the future given the changes the sector has experienced in recent months. For this reason, your report is a valuable contribution to a wider conversation on MMC, as well as being incredibly timely. Given the recent announcements of further industry exits, I would like to give further detailed consideration to the development of MMC policy and how best this Department can support the sector and inevitably, that will take some time.

With your leave, I will therefore withhold a full response to the recommendations of your report at this time, and will seek to provide the Committee with a full update in late spring once we have undertaken further detailed work with the sector.

Thank you once again for your and the Committee's work, and I will be in touch with a fuller response as soon as I am able to do so.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Lee', is centered on the page.

Lee Rowley MP
Minister of State for Housing and Planning