

Name of meeting: Overview and Scrutiny Management Committee

Date: 15th March 2022

Title of report: Low Carbon Housing Pilot Project: Former R M Grylls School Site, Liversedge

Purpose of report: Overview and Scrutiny Management Committee is invited to comment on the attached report in respect of the Low Carbon Housing Pilot Project.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not Applicable
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u> ?	Not Applicable
The Decision - Is it eligible for call in by Scrutiny?	Not Applicable
Date signed off by <u>Strategic Director</u> & name	David Shepherd, Strategic Director: 4 March 2022
Is it also signed off by the Service Director for Finance?	Eamonn Croston, Service Director for Finance: 4 March 2022
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft, Service Director for Legal Governance and Commissioning 4 March 2022
Cabinet member portfolio	Councillor Cathy Scott

Electoral wards affected: Liversedge and Gomersal

Ward councillors: to be consulted on Cabinet Report

Public

Has GDPR been considered?

Yes. The report does not identify individuals or convey personal data.

1. Summary

The attached draft Cabinet report is brought to Scrutiny Committee in view of the significance of the climate and energy agenda. The report briefs on the context and background to the Low Carbon Housing Project in relation to fuel poverty, energy price rises, and reducing the carbon footprint in housing. These are issues which will drive significant changes in housing design and standards in order to provide affordable warmth, tackle fuel poverty and to promote public health.

The report also advises of the proposed appointment of specialist designers to support the Council in delivering its outcomes and next steps in developing the project through its design and construction stages. It outlines behavioural changes in managing and living in innovative and resilient homes. Scrutiny Committee comments on the report are invited, prior to its consideration by Cabinet.

2. Background

The Low Carbon Housing Project is a direct response to the climate emergency and changes to Building Regulations. It forms part of the Council's development programme to deliver more affordable, warm homes and quality places, and it proposes to develop the former RM Grylls school site at Hightown, Liversedge for 125 homes. It will include a minimum of 20 Passivhaus homes and a zero carbon home, for other units, a minimum 31% carbon savings over current Building Regulations requirements.

Expertise from experienced and qualified designers is required to help the council to deliver its ambitions. Following a competitive process, the report outlines proposals to appoint specialist designers to design, cost and secure planning permission to enable the scheme to be built.

3. Recommendation

Overview and Scrutiny Committee is asked to note the proposals and is invited to offer comments on the report.

4. Contact officer

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5. Service Director responsible

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DRAFT

Report to: CABINET

Date: 15 March 2022

Title of report: **LOW CARBON HOUSING PILOT PROJECT UPDATE**

Purpose of report:

The report is brought to Cabinet as a Key Decision where the proposal involves expenditure of greater than £250,000, and in view of the significance of the climate change and energy agenda. The report briefs on the context and background to the Low Carbon Housing Project in relation to fuel poverty, energy price rises, and reducing the carbon footprint in housing. These are issues which will drive significant changes in housing design and standards to provide affordable warmth, tackle fuel poverty and to promote public health.

The report also advises of the proposed outcomes and next steps in developing the project through its design and construction stages, and behavioural changes in managing and living in innovative and resilient homes. Cabinet is asked to consider the report and the Private Appendix containing details of bids received from organisations bidding to provide specialist design services to design the project and to secure planning permission. Cabinet is asked to approve the bidder recommended in the Private Appendix.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes. This will incur specialist architect design fees in excess of £250,000
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Key Decision – Yes. A Key Decision Notice will have been published by 3 March 2022 in respect of the Cabinet report. Public Report with Private Appendix. This contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd , Strategic Director: 4 March 2022
Is it also signed off by the Service Director for Finance?	Eamonn Croston , Service Director for Finance: 4 March 2022
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft , Service Director for Legal Governance and Commissioning 4 March 2022
Cabinet member portfolio	Cllr Cathy Scott

Electoral wards affected: Liversedge and Gomersal

Ward councillors to be consulted: Cllrs David Hall, Cllr Lisa Holmes, Cllr Melanie Stephen

Public or private:

The report is public.

The Key Decision Notice has been issued and the subsequent cabinet report will be accompanied by a private appendix in which commercially sensitive information will be provided.

Has GDPR been considered?

Yes. The report does not identify individuals or convey personal data.

1. Summary

- 1.1 The links between housing and health are well documented and the role of housing in the integration of health and social care has become the subject of much debate. The evidence in the Housing Strategy and Strategic Housing Market Assessment emphasises the need to develop more affordable homes, and to promote affordable warmth to ensure tenants and residents realise the health benefits that good quality housing can deliver. Fuel poverty is a recognised problem for over 13% of Kirklees households and enquiries about this problem are increasing. The housing delivery plan agreed by Cabinet in 2018 has led to an ambitious council housing development programme which seeks to deliver 100 new homes per year. The council can drive delivery, sustainable development standards and the change.
- 1.2 The climate emergency declaration and recommendations of the Climate Emergency Working Group have emphasised the need for the council to drive improved sustainability standards into new and existing homes.
- 1.3 The approaching energy price rises from April 2022 and changes to Building Regulations in 2022 and 2025 for energy conservation and ventilation, means that these circumstances cannot be ignored, and a step change is required to move from our reliance on fossil fuelled homes, to reduce the carbon footprint of housing and drive more sustainable places by investing in higher environmental standards.
- 1.4 The Low Carbon Housing Project is a direct response to the cost-of-living crisis, the climate emergency, and the broader regulatory changes. The pilot project, as well as delivering more quality affordable, warm homes and places, will secure learning and best practice – from design and planning right through to occupation and management - this learning will enable the council to identify the skills needed in the workforce to ensure sustainable development becomes mainstream and scalable and will underpin social value outcomes in particular apprenticeships and training opportunities.
- 1.5 Delivering and maintaining homes that meet new and improved standards for construction will need those in planning, construction, housing management and maintenance, as well as residents, to develop new skills and behaviours.
- 1.6 Specific expertise from experienced designers is required to help the council to deliver these ambitions. This report outlines proposals to appoint specialist designers to design, cost and secure planning permission to build 125 homes, including at least 20 certified Passivhaus homes, one zero carbon home and achieve a minimum of 31% carbon reductions over current Building Regulations requirements.
- 1.7 A procurement exercise has resulted in 4 bids to provide specialist design services. Officers propose to report the bids to Cabinet and to secure authority to appoint a design team.
- 1.8 This project intends to develop the former RM Grylls school site at Hightown, Liversedge, a Local Plan site which is allocated for housing. The intention is to start development in 2023, and to complete the scheme in 2026. Cabinet will be asked to authorise the procurement of a

development contractor once planning permission and a detailed, viable cost estimate has been obtained.

2. Information required to take a decision

- **Background: Housing need, fuel poverty and climate issues**

- 2.1 The Kirklees Housing Strategy and the Strategic Housing Market Assessment evidence the need to provide 1049 new affordable homes per year to address an affordability gap. The Housing Strategy also identifies fuel poverty as an issue affecting 13.1% of Kirklees households; above the national and Yorkshire and Humber averages (11.1% and 12.1% respectively). Living in a cold damp home presents a significant threat to health and the Housing Strategy identifies the need to do more to improve the conditions of housing stock, for the wellbeing of residents.
- 2.2 Interventions such as the work of the Affordable Warmth Team to invest in retrofitting existing stock (e.g., Abbey Road) are already establishing ways to insulate homes, reducing energy consumption, and ensuring that warmth is retained. The council has also previously promoted national and local initiatives to address poor home insulation and promote the provision of new energy efficient boilers.
- 2.3 The council is also supporting residents through its Money Advice Team to provide advice and support to those who are seeking help in managing their financial commitments and living costs. The team has reported that in the last six months, enquiries about home heating costs have risen to the point where half of the enquiries are now raising concerns about being able to afford to heat homes adequately. This year, the Council expects to launch a wider energy campaign aimed at tackling fuel poverty and carbon reduction.
- 2.4 In the shorter term, inflation in food prices and the cost of living has been escalating, and international volatility of the gas supply market has led to wholesale gas prices increasing. When the OFGEM price caps are raised from April 2022, increases in gas wholesale costs (50%+) will be passed on to consumers, and home heating costs using this fossil fuel will significantly escalate. Whilst the government will be providing recoverable subsidies to reduce this financial shock, this does not address the reliance on fossil fuels and is a short-term mitigation. These factors will put further pressure on housing affordability and fuel poverty.
- 2.5 The housing delivery plan approved at Cabinet on 29 August 2018 underlined the need to reduce fuel poverty and to reduce the carbon footprint of new housing. It proposed trialling the development of low carbon homes as a way of reducing the carbon footprint of housing and developing opportunities for construction skills and training to support new approaches to housebuilding in the future. The focus at that time was on land to be disposed of to secure a market solution.
- 2.6 The council's subsequent declaration of a Climate Emergency in 2019 and the recommendations of the Climate Emergency Working Group ('CEWG') confirmed that more needs to be done to tackle the carbon footprint from home energy usage, and to develop homes incorporating Passivhaus principles. These are homes which incorporate passive design and fabric first principles of high thermal insulation, airtightness, and ventilation to reduce energy usage, conserve heat, and manage heating and cooling.
- 2.7 Interest in Passivhaus development and principles has been growing in Kirklees. It is one way to include design elements to reduce fuel and heating costs and reduce the long-term carbon footprint generated by our homes. However, this type of housing requires behavioural and skills changes to construct, run, manage, maintain, and live in the home. It also requires expectations in terms of layout and design to be adjusted to achieve optimum site layouts and to maximise low carbon outcomes.

- **Policy, Climate change, skills gaps in building innovative resilient homes**

- 2.8 The Government's 'Construction 2025' industrial strategy [launched in 2013] sought to achieve a 50% reduction in construction costs, delivery timescales, greenhouse gas emissions from construction, and trade gap between imports and exports. The subsequent Farmer Review of construction sector labour in 2016 highlighted poor training models, a lack of innovation and collaboration as well as a weak research and development culture.
- 2.9 The Government's consultation on the Future Homes Standard (2019) and the Future Buildings Standard response (2021) set out the Government's proposals to further reduce the carbon footprint of new homes, by changing Building Regulations Part L (conservation of fuel and power) and Part F (ventilation). By 2025, this will require all new homes to produce 75%-80% less carbon emissions than houses built under the current regulations.
- 2.10 Technical guidance consultation on the Future Homes Standard is not expected until 2023 and consequently, interim changes to Part L for homes built from June 2022 require a 31% reduction in carbon emissions.
- 2.11 This requires some step changes in the way that homes are built, such as improved airtightness, and it also requires anticipation of higher standards and performance. This highlights the need for training and skills development and sharing best practice to build resilient and innovative low carbon homes, and to tackle poorly performing existing homes in an affordable way.
- 2.12 Adapting to build resilient low carbon housing to address climate change will also require creative thinking and flexibility from the planning system, particularly where new housing types or materials and site requirements and layouts may challenge current policy expectations.

- **Project development and options**

- 2.13 In response to the climate emergency declaration and the CEWG recommendations, officers have been working up proposals to develop a Low Carbon Housing Pilot project, as part of the Council's broader housing delivery programme and carbon reduction response.
- 2.14 This project aims to develop new homes using modern methods of construction (such as modular or panelised systems) and Passivhaus, and to share learning and practice to raise standards, reduce carbon emissions and living costs in Kirklees.
- 2.15 Preparatory work on the project was endorsed in June 2020 by Cllr Scott, Cllr McBride, former Cllr Rob Walker (and subsequently Cllr Simpson) as Portfolio Holders for Housing, Regeneration and Environment.
- 2.16 On the 7th of July 2021, the Housing Growth Board endorsed the management and development of the Low Carbon Housing Pilot Project by the Homes and Neighbourhoods Development Team, and authorised tenders for a Design Team to be issued.
- 2.17 As part of this work, an assessment of a range of sites was undertaken by an architect with Passivhaus design and delivery experience. This exercise concluded that the elevation, topography, and aspect of the former RM Grylls school site off Second Avenue, Hightown, Liversedge would be a suitable fit. This Local Plan housing site is in the ownership of the council and has an allocation for 125 homes. It also sits in a locality within the worst 10-20% index of multiple deprivation and is a strategic fit to develop homes which will reduce carbon emissions, living costs and where the council can promote quality and raise standards.

- **Project objectives**

2.18 The objectives of this project are to:

- To construct 125 homes, a minimum of which 20 homes will be designed and built to a certified Passivhaus standard.
- To include at minimum one zero carbon house
- To achieve a 31% reduction in carbon emissions compared to current Part L Building Regulations for the remaining homes.
- Incorporate modern methods of construction.
- To share learning on costs, construction, and tenants' experience, to raise design standards for future housing sites.

2.19 This is also an opportunity to develop new homes and to incorporate social value outcomes for jobs and training in developing skills for future building techniques which will be required across the development sector. The construction tender stage will also allow the council to work with local construction design and contractors and support local supply chains and training.

2.20 The council has already procured architectural consultancy services through its established framework. However, this project requires specialist expertise and experience in a design team. Officers have assessed other local authorities' interest in Passivhaus and have liaised with the City of York Council in relation to their approach to developing a programme of low carbon homes over several sites.

2.21 The project has been broken down into two phases, each of which will need to pass through approval stages.

- **Phase 1:** Procuring an experienced Design Team led by a Principal Architect to undertake RIBA Stages 1-4 (scoping, design and obtaining an implementable full planning permission)
- **Phase 2:** Procuring a construction partner, to build the scheme once detailed planning consent is secured.

Phase 1 is broken down into a two-stage process:

- (1) A pre-qualification exercise to sift out organisations who do not have the required experience and knowledge of developing Certified Passivhaus home, and
- (2) Detailed submissions from short-listed organisations.

2.22 The Stage 1 process [administered through the YOR tender procurement portal] secured 9 eligible bids ('requests to participate') by close in October 2021. The sift led to 5 bidders being invited to submit detailed tenders by 31 January 2022 in the second stage.

2.23 Four bidders have submitted bids to this stage of the process and the evaluation and score moderation process has been undertaken during February and early March. The bids have been assessed against quality, cost, and social value criteria.

2.24 **Private Appendix 1** lists the bidding organisations in each stage. Further clarification has been sought in relation to the cost of services and reports to be provided, and the final recommended bidder will be presented to Cabinet.

2.25 To support the development of the project and the evaluation of bids, and future programme development, links have been forged with the Passivhaus Trust, and the School of Architecture at Huddersfield University, to act as 'critical friend' to the project.

- **Cost breakdown**

- 2.26 Build cost analysis will be developed as part of the design and specification process and will be reported to cabinet for consideration. Professional consultancy costs will be incurred in designing the scheme, as with any proposed development.
- 2.27 The Stage 1 procurement exercise to tender for professional design consultancy services require a principal architect/designer, mechanical and electrical consultant, quantity surveyor, planning consultant, and structural and civil engineer. Bidders have also been asked to price for a range of specialist services and reports including although not limited to Passivhaus advisors, ecologists, highway specialists, resident engagement support. The council would need to appoint an independent Passivhaus assessor to assess and certify the Passivhaus homes.
- 2.28 The latest construction cost estimates will be reported to Cabinet for approval, prior to proceeding with any construction tender exercise.
- 2.29 As part of the formal tender process, the four bidders have submitted detailed information on their range of services, professional fees, and staff forming each design team. Bidders have also set out their indicative principles for designing the scheme. Bidder's information includes commercially sensitive and personal information and will be summarised in a private appendix.
- 2.30 Pending final assessment and clarification, it is estimated that professional fees for the design process may be up to £1m. It should be noted that whilst significant costs will be incurred for the specialist professional design services, this project is buying in expertise to enable learning and skills improvements in specialist Modern Methods of Construction [MMC] and Passivhaus design and construction that will help us to develop our strategy and approach for future programmes. This will benefit the council and hopefully inspire other developers to follow this lead. Buying in the right expertise will provide the council with a platform to develop, learn, demonstrate, and replicate good practice.
- 2.31 Based on an estimated £17-£20m scheme of this scale, the architects' fees would typically incur 5% of fees on costs and it is a necessary cost which is incurred as part of the development process. In this case, the team will also be providing cost analysis, and the role of the Principal Designer for pre-development health and safety Construction Design and Management regulations, as well as a range of specialist services in relation to Passivhaus, low carbon and MMC design.
- 2.32 This project and design fees will help the council to scale up design, carbon reduction, affordability, and fuel poverty outcomes in developing the council's wider housing development programme. This will lead to the design and delivery of resilient, quality homes and places of the future. This learning can also be shared and applied to partners and other developers outside the council, with the aim of helping to raise housing standards, and reduce the carbon footprint of homes across Kirklees.

- **Timescale**

- 2.33 The indicative timescales advised to bidders are set out in the table below. This will need to be adjusted to account for the Cabinet meeting of the 5th of April, which is 2 weeks beyond this indicative timetable. Contract award may also need to be moved into June to account for the extent of services and specifications required.

STAGE 2: INVITATIONS TO TENDER ISSUED TO SELECTED CANDIDATES	12 November 2021
Deadline for the Council to Respond to Clarification Questions	10 December 2021
Submission Deadline	12 noon 31 January 2022
Submission Deadline for Social Value Portal	12 noon 31 January 2022
Evaluation Period Ends	7 March 2022
Internal approval process:	31 March 2022
10 Day Standstill Period Ends	12 April 2022
Contract(s) Award	12 April 2022
Contract Start Date	1 May 2022

- 2.34 It is expected that following appointment, the successful design team will work up detailed proposals. From this point, the indicative development timescale is as indicated below:

Design and planning	
Revised Contract start date and design project team inception meeting	Late May / early June 2022
Design process and stakeholder input	June 2022 - October/November 2022
Detailed scheme and indicative costs	October/November 2022
Internal approval process prior to submission of planning application	November 2022/January 2023
Submission of full planning application	January/February 2023
Grant of full planning permission (prepare revised cost analysis)	May/June 2023
Internal/Cabinet approval to proceed to tender	June 2023
Preparation of draft construction tender	March - May 2023
Construction tender period	May-June 2023
Evaluation of tender submissions	June-July 2023
Internal approval process and Cabinet	July/August 2023
Construction phase: training/skills development throughout	
Contract let	August 2023
Mobilisation and start on site	September/October 2023
Practical completion and handover into management	March 2026
Management /Maintenance and living skills training	January – March 2026

- **Expected impact/ outcomes, benefits & risks (how they will be managed)**

- 2.35 Delivering homes which help communities and future generations to reduce their energy use and costs, that are warm, healthy, and adaptable will contribute to our achievement of the Kirklees Shared Outcomes.
- 2.36 In addition, the environment around the homes will also see a step change in terms of waste water management and access to landscaped localised amenity areas and existing woodland. There will

be access for electric vehicle charging, promoting less reliance on the use of fossil fuelled vehicles. Biodiversity net gain opportunities will be considered and integrated into scheme designs.

- 2.37 For residents, there will be a need to learn to live differently, adapting to heating technologies such as air or ground source heat pumps, and energy and heat conservation approaches. This will require advice and training for residents to help them to get the best from their new home, and it will also require consideration of local letting or sales policies to ensure that residents will be engaged and inspired to adapt to living differently. This is very much about working with our communities and learning with them, and not imposing new ideas on them.
- 2.38 This new approach will also require advice, learning and development for housing management and maintenance colleagues to understand the different types of building techniques and maintenance regimes needed for these types of homes.
- 2.39 The learning and training opportunities during the design and subsequent construction phase represent an opportunity to deliver social value for our residents and local economy. A significant outcome will be to achieve interest and input from local suppliers and manufacturers associated with modern methods of construction and Passivhaus.
- 2.40 The impact of this project is expected to have a ripple effect in informing and influencing others. The council will use learning and experience from this project to inform current and future new developments and retrofit schemes, using the lens of innovation, quality and place shaping to meet and exceed changing regulatory requirements. The council's development programme may be impacted by the changes to regulatory standards and costs if learning and preparation is not implemented sooner than in 2025.
- 2.41 Wider learning from this project will be shared with the University and the Passivhaus Trust, partners in the Combined Authority, and other colleagues and developers to promote higher standards and the changes that are required to achieve resilient, low carbon homes for the future.
- 2.42 Key risks arise from knowledge gaps and cost escalation which will be mitigated in the robust procurement exercise. Bidders have been required to describe their professional teams, service and design delivery approaches and principles, and are required to undertake value engineering throughout.
- 2.43 Following the approval of a successful bidder to undertake the design and consultancy services, the project will be managed by a Development Manager within the Homes and Neighbourhoods Service, supported by other team members. A project team will drive the scheme with governance overseen by the New Build Housing Board. Updates to the Executive Team, Senior Management Team and the Housing Growth Board will be provided as appropriate. This will allow the consideration of highlighted risk areas and provide strategic direction for the project where significant design or risk issues are highlighted.

- **Evaluation**

- 2.44 The evaluation process in this and future projects will principally consist of 4 stages:
- design and planning
 - construction methodology, skills and learning
 - occupation – ease of living and managing a modern home
 - future skills and workforce needed to manage and maintain these homes
- 2.45 The first stage is currently being undertaken through the conclusion of the tender evaluation process which has sought to balance quality (60%) cost (30%) and social value outcomes (10%). This project will be an exemplar cross-cutting project which will deliver across many policy strands for the council, in housing, environment and health themes. The scheme will be informed by local need and community and stakeholder input and engagement which has been a key part of the consultant procurement process.

- **Sustainability**

- 2.46 This pilot project embraces sustainable development at its heart, and it will be expected to comply with national and local policy in this area. Its objectives are clearly aligned to reducing the environmental impacts of new development and in addressing the climate emergency. It will also ensure that the homes are sufficiently flexible to ensure that a sustainable, stable mixed economy community can be integrated with existing communities, and that people have homes that support them throughout their life.
- 2.47 The development of this site is likely to challenge some established design expectations in view of the need to optimise solar gain on the one hand and to manage overheating on the other, and this will inform access and layout and the spatial orientation and appearance of dwellings. This will need close links with the Planning and Building Control teams.

- **Services & agencies involved**

- 2.48 This project will involve Sufficiency Group and link to the council's Accessible Homes Team, together with internal housing management, assets team and the affordable warmth team. It also involves the Passivhaus Trust and the Huddersfield University school of Architecture which can use this a learning opportunity. It will see the expanded involvement of the Combined Authority in supporting development costs from the Brownfield Housing Fund- the prospectus is being launched as this report is prepared.

- **Implications for the Council**

- 2.49 The Low Carbon Housing Pilot project will address many policy strands because the initiative is cross-cutting. Providing resilient, quality homes for the future, which will help to address affordability, fuel poverty, secure carbon reductions, and help to promote healthier housing conditions and life chances. Additionally, external infrastructure such as water management infrastructure, open space and access infrastructure will help to encourage less reliance on fossil fuelled vehicles and encourage active travel.

- **Working with People**

- 2.50 This project is fundamentally about working with people to build high quality homes and places where people will feel safe and have a sense of belonging. It is also a platform to learn and to develop skills in construction techniques, and to cascade these into future developments for the council and others. The project will include resident engagement and participation and the iterative design process will be designed to include the tenant and resident 'voice'. The competitive tender exercise has specifically included provision for bidders to ensure that stakeholder's views and inputs are included, and the social value portal requires bidders to set out how they can add value to their services by including opportunities for local skills and training.

- **Working with Partners**

- 2.51 Learning from the retrofit measures at Abbey Road will feed into this work, and officers are working with the University of Huddersfield School of Architecture in respect of their 'critical friend' role and informal advice for the programme. A link has also been made with the Passivhaus Trust in relation to training opportunities for staff involved in the project, which could include a variety of cross-service colleagues.
- 2.52 The Combined Authority and have provided revenue support for due diligence in investigating the site. In the longer term, revenue funding from the Brownfield Housing Fund is available, particularly given the affordability and carbon reduction issues. These are priorities for the West Yorkshire

Mayor. Combined Authority colleagues are inviting the council to submit outline and full business cases to secure revenue funding.

- **Place Based Working**

- 2.53 In directly developing this site, the council will be able to drive and lead improved standards and incorporate local intelligence and input from local residents and members. The council will directly respond to local housing market information and housing need evidence in developing a mixed tenure approach to the development. This will help to address gaps where a wholly market solution may otherwise 'lead' the housing types and tenure, meeting only part of local needs and aspirations.
- 2.54 Care will need to be taken to avoid imposing principles and new living approaches on households and it will be important to work with the local community to consider opening a list of residents who are interested and inspired in living differently and learning to run a home which in many cases will be very different to where they have lived before. Their knowledge and feedback will be important to improving standards for the future and feeding into the design process.

- **Climate Change and Air Quality**

- 2.55 Tackling the climate emergency, reducing emissions, and improving air quality are key long-term priorities for the Council to improve the quality of life for our residents and create a borough that is healthier, more sustainable and fairer for everyone.
- 2.56 This project is at the heart of addressing climate change and carbon reduction issues and significantly reducing the environmental impact of new homes. It will require change, learning and improvements on the part of the council and residents to adapt to new ways of living. It will reduce the impact on air quality through relying on renewable energy, encouraging active travel, and cutting out fossil fuel reliance for the home and for means of travel.

- **Improving outcomes for children**

- 2.57 Providing safe, affordable and warm homes and spaces for families and their children will help to give children their best start in life and to live as well as possible for as long as possible. It will also ensure that learning and living in energy efficient homes becomes second nature, as well as potentially inspiring the next generation of designers and builders.
- 2.58 The scheme could also provide educational benefits through providing skills training and linking in with school children in the development/construction to stimulate interest in construction training.
- 2.59 It will also provide an opportunity for the council and partners to listen to children and their families on the way that they live, learn and work.

- **Other (e.g., Legal/Financial or Human Resources)**

- 2.60 The site will need to be valued, prior to its appropriation into the Housing Revenue Account from Children and Young Persons Service and the council will need to publish a notice under Section 122 of the Local Government Act 1972 in terms of the use of 'open space' that is used informally on this site.

There is provision for the low Carbon Housing Project within existing headline HRA capital plan approvals, incorporating the use of RTB capital receipts etc. The HRA business plan sets out the overall affordability context for all HRA spend and funding proposals, but the approval is the capital plan not the HRA Business Plan.

- 2.61 The financial costs of developing the scheme will come from the 30-year HRA business plan, supplemented using Right to Buy capital receipts in re-investing funds from previous property sales. The use of the right to buy funds is currently capped at 40% in FY 2023-24, and it will decrease to 30% in FY 2023-24 onwards. This will require careful financial profiling and planning in respect of

committing finances to this scheme, subject to Cabinet agreeing to proceed to contract after competitive tender.

- 2.62 The development cost is expected to be supplemented by funding from the Combined Authority, subject to the submission of outline, and final business cases once development cost analysis has been firmed up when planning permission has been granted.
- 2.63 The management/oversight of the project will be undertaken by a Development Manager within the Homes and Neighbourhoods development team, reporting to the Head of Service and Service Manager, supported with other staff including a development officer and graduate officer. Governance and reporting will come from the New Build Housing Board, reporting when required to H&N senior management team, or to Housing Growth Board. The day-to-day design consultancy services will be led and managed by the principal architect and designer.

Do you need an Integrated Impact Assessment (IIA)?

- 2.64 As this project will impact across multiple themes, the IIA tool has helped to assess the positive benefits and contributions across policy themes and outcomes.

3. Consultees and their opinions

- 3.1 Consultation has been undertaken with Cllr Cathy Scott as lead portfolio holder and previously also with Cllrs Peter McBride and former Cllr Rob Walker, and subsequently Cllr Will Simpson.
- 3.2 It is also intended that Liversedge and Gomersal Ward Councillors will have been fully briefed and their opinions sought, prior to progressing to Cabinet, and thereafter as part of the community and member engagement which will come as part of the iterative design process, once a successful bidder/consultant team has been appointed.
- 3.3 Consultation has also been undertaken with the Chief Executive and the Service Directors for Finance, and for Legal, Governance and Monitoring.
- 3.4 Overview and Scrutiny Committee (15 March 2022).

Comments from the Committee to be noted here:

4. Next steps and timelines

- 4.1
- 4.2 Subject to Cabinet considering and approving the appointment of a successful bidder to provide specialist architectural and consultancy services, it is expected that the consultant will be in place in May/June and that proposals can be worked up for submission to planning in the early part of 2023.
- 4.4 Final cost estimates would be provided once an implementable planning permission has been granted, for referral back to Cabinet to secure approval to tender for and appoint a development contractor.
- 4.5 It is expected that a start on site would be achieved in autumn 2023, and the development completed in 2026. The detailed indicative timescale is set out in the 'Timescales' section above, at paragraph 2.34.

5. Officer recommendations and reasons

5.1 It is recommended that Cabinet:

- (i) Note and endorse the project and proposed appointment of a specialist design team, as outlined in this report and in the Private Appendix.
- (ii) Agree to the appointment of the specialist design team from the bidding organisations as recommended in the Private Appendix
- (iii) Delegate authority to the Strategic Director, Growth and Regeneration, and the Service Director – Legal, Governance and Commissioning to enter into contract with the recommended specialist design team to provide design, cost, and planning services to the council in developing the proposals and securing an implementable planning permission.

6. Cabinet Portfolio Holder's recommendations

6.1 Cllr Scott has been fully briefed on the proposals and has endorsed the project and its progression to Cabinet for consideration and approval of the appointment of the principal architect/designer and supporting consultancy services.

7. Contact officer

James Hinchliffe, General Manager- Development.

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8 Background Papers and History of Decisions

Housing Delivery Plan: Cabinet report approved on 29 August 2018.

<https://democracy.kirklees.gov.uk/ieDecisionDetails.aspx?ID=6273>

<https://democracy.kirklees.gov.uk/documents/s24283/Item%2010.%202018-08-29%20Housing%20Delivery%20Plan%20report%20for%20Cabinet.pdf>

Declaration of a Climate Emergency: 19 January 2019

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=138&MId=5651&Ver=4>

9. Service Director responsible

Naz Parkar, Service Director for Homes and Neighbourhoods

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