

BIRMINGHAM CITY COUNCIL

HOUSING AND NEIGHBOURHOODS OVERVIEW AND SCRUTINY COMMITTEE

WEDNESDAY, 17 MAY 2023 AT 12:30 HOURS
IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

**4 REQUEST FOR CALL-IN: DEVELOPMENT OF HOUSING AT
DAWBERRY FIELDS ROAD**

To consider the 'Request for Call-In'.
(The portfolio holder and the Lead Officer identified in the report have been summoned to attend the meeting). The following documents are attached:-

Cover report

Appendix 1: The Executive Decision Record

Appendix 2: Call-In Procedure – Briefing Note

Appendix 3: The relevant form for the 'Request for Call-In' lodged by Councillors Lisa Trickett and David Barker

Appendix 4: The report considered by Cabinet in reaching its decision

**5 REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR
ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

6 OTHER URGENT BUSINESS

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

7 AUTHORITY TO CHAIR AND OFFICERS

Chair to move:-

'In an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

Birmingham City Council

Housing and Neighbourhoods Overview and Scrutiny Committee

17 May 2023



Subject: Request for Call-In – Development of Housing at Dawberry Fields Road

Report of: Janie Berry, City Solicitor and Monitoring Officer

Report author: Amelia Wiltshire, Overview and Scrutiny Manager
amelia.wiltshire@birmingham.gov.uk

1 Purpose

- 1.1 This report outlines a Request for a Call-In of the Executive Decision of the Development of Housing at Dawberry Fields Road by the Executive on 25 April 2023 (Appendix 1).
- 1.2 All Executive decisions are subject to Call-In before approval. Further information relating to the Call-In procedure and its criteria is set out in Appendix 2. The Request for a Call In was submitted by Cllrs Lisa Trickett and David Barker (Appendix 3) and was received on 25 April 2023.

2 Recommendations

- 2.1 The Committee:
 - Reviews the reason(s) provided to request this Call-In, and how and why the decision had been reached by the Executive; and
 - Considers whether this request meets the criteria for a Call-In as set out in [Part B \(11.9\) of the Constitution](#), and decides if the decision on the Development of Housing at Dawberry Fields Road should be 'called-in'.

3 Any Finance Implications

- 3.1 With specific regard to this Request for a Call-In, there are no financial implications.
- 3.2 The Cabinet Report (Appendix 4A) outlines the financial implications related to the decision of the Development of Housing at Dawberry Fields Road.

4 Any Legal Implications

- 4.1 As set out in [Part B, 11.9 of the Constitution](#), the purpose of this meeting is to discuss whether the Committee should or should not exercise its power of a Call-In. Specifically, it will formally discuss whether the Executive should reconsider its decision to approve the Development of Housing at Dawberry Fields Road. Further information relating to the Call-In procedure and its criteria is set out in Appendix 2.
- 4.2 The Cabinet Report (Appendix 4A) outlines the legal implications related to the decision of the Development of Housing at Dawberry Fields Road.

5 Any Equalities Implications

- 5.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.2 The Cabinet Report outlines an initial Equality Assessment has been completed and is included with this report (Appendix 4A, pages 22-25). The Cabinet Report highlights that a full equality impact assessment has not been completed as it is considered that the proposals of this report do not have any adverse impact on characteristics and groups protected under the Equality Act 2010.
- 5.3 With specific regard to this Request for a Call In, there are no equalities implications.

6 Appendices

- 6.1 Appendix 1 – Executive Decision Record – Development of Housing at Dawberry Fields Road
- 6.2 Appendix 2 – Call-In Procedure and Criteria Briefing Note
- 6.3 Appendix 3 – Call In Request submitted by Cllrs Lisa Trickett and David Barker for the Executive Decision of the Development of Housing at Dawberry Fields Road
- 6.4 Appendix 4A – Report to Cabinet for the Development of Housing at Dawberry Fields Road and appendices B-F referred to in Cabinet Report

- 6.5 Appendix 4B – Report to Cabinet for the Development of Housing at Dawberry Fields Appendix A

7 Background Papers

- 7.1 [Birmingham City Council Constitution](#)
- 7.2 Birmingham City Council Overview and Scrutiny Framework April 2021

Details

Status:	Decision Subject To Call In
Title:	Development of Housing at Dawberry Fields Road
Include item on Forward Plan/ Key Decision	Yes
Reference:	009213/2021
Urgent Decision - Not in Forward Plan	No
Details for Agenda Sheet	Report of Strategic Director Place, Prosperity and Sustainability
Implementation Date (not before meeting on)	Tue 25 Apr 2023
Purpose	Approval of Full Business Case and Procurement Strategy
Key Portfolio	Housing and Homelessness
Decision Maker	
Chief Officer Decision Maker	----- N/A -----
Reason For Key Decision	Greater than £1M capital spend
Relevant Documents	
Decision Type:	Committee

Decision Maker: Cabinet

Directorate Places, Prosperity and Sustainability

**Other
Information**

Additional Portfolio: Finance and Resources

Report Title formerly known as BMHT Dawberry Fields Road, Passivhaus Development

Private Reason

**Decision
Outcome**

On 25 April 2023, Cabinet:-

- (i) Approved the FBC attached to the report as Appendix A for the Scheme and delegated any changes to the FBC for the Scheme financial expenditure of up to 20% to the Strategic Director, Place, Prosperity & Sustainability;
- (ii) Approved the procurement strategy and commencement of the procurement activity for the housing development and associated works for the Scheme using the Homes England Dynamic Purchasing System (DPS) Framework Agreement;
- (iii) Delegated the approval of the contract award for the Scheme to the Strategic Director of Place, Prosperity and Sustainability in conjunction with the Assistant Director of Procurement (or their delegate), the Strategic Director of Council Management (or their delegate) and the City Solicitor and Monitoring Officer (or their delegate) subject to the costs being within the FBC approval in accordance with paragraph 2.1 of the report;
- (iv) Authorised the Strategic Director Place, Prosperity & Sustainability to seek consent from the Secretary of State under Section 174 of Localism Act 2011, to exclude the new council properties developed through the Scheme from the Right to Buy pooling requirements, and to ensure that any capital receipts generated from any future sale of homes under the Right to Buy are retained by the Council for reinvestment in future housing delivery;
- (v) Authorised the Assistant Director, Transport and Connectivity to grant technical approval of the Scheme highways proposals and progress the preferred option to detailed design which will be the responsibility of the appointed contractor;
- (vi) Authorised the Director of Planning, Transport & Sustainability to submit and process all necessary highway closures and notices required to facilitate the Scheme highlighted in the FBC and to enter into any appropriate agreements for the creation, improvement and alterations to highway access to the sites;

- (vii) Delegated to the Strategic Director Place, Prosperity & Sustainability the power to amend or vary the development boundaries by up to 10% for the Scheme;
- (viii) Delegated authority to the Strategic Director Place, Prosperity & Sustainability to submit funding applications to Homes England (HE), West Midlands Combined Authority (WMCA), the Department for Levelling Up, Housing and Communities (DLUHC), European Regional Fund or any other funding agency and accepted successful applications to facilitate the Scheme development where required;
- (ix) Authorised the City Solicitor and Monitoring Officer (or their delegate) to take all steps necessary for the preparation of any documents, to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

THE DEADLINE FOR CALL IN IS 1600 HOURS ON TUESDAY 2 MAY 2023.

On 27 April 2023 at 1921 hours, a request for call-in was submitted by Councillors Lisa Trickett and David Barker. No action on the decision can be taken until the request for call-in has been considered by the Housing and Neighbourhoods O&S Committee within 15 days of the decision being posted.

Call in Procedure

1. Introduction

- The purpose of the meeting is to discuss whether the Committee should, or should not, exercise its power of Call In – that is: whether to formally request that the Executive reconsiders its decision.
- Where a Committee does decide to Call In a decision the “re-consideration” which is then required must take place at a meeting of the full Cabinet – irrespective of who made the original decision.

2. The Members must make their case justifying their request for Call In

- Chair to ask the two Councillors who requested the call-in to explain the reasons why they have requested that the decision be called in.
- If the members who requested the call-in are not members of the O&S Committee then they should be invited to present their case, but will not be able to vote on the call-in decision.
- Q&A: chance for the Committee to **ask for clarification** or details on the reasons why the request for call in has been made [*Note: it is not for Members to start discussing the merits or otherwise of the call-in at this point*].

3. Presentation by the Cabinet Member on their Decision

- Cabinet Member assisted by officers, to state how/why the decision was made – officers to give any necessary background information.
- Q&A: chance for the Committee to ask for clarification or details on the decision and how it has been made.

4. The Cabinet Member and Officers are asked by the Chair to leave the room whilst the Committee discusses its view on whether or not they think there are grounds for the decision to be Called In.

- When the O&S Committee is satisfied that it has fully explored the case for call in and the Cabinet Member’s reasoning for the decision that was taken, then the Cabinet Member, their officers and any councillors who are not members of the committee may be asked to leave the room to allow the Committee to come to its conclusion.
- The meeting, if being held in public, will continue to be public and so livestreaming will continue but asking Cabinet Members, officers and others to leave enables members of the committee to discuss without further contributions from those not on the committee.

5. Discussion by the Committee

- The Overview and Scrutiny Committee will consider the criteria for Call In.
- For clarity, as set out in Part B (11.9) of the Constitution, the Council does not expect an O&S Committee to Call In an Executive decision unless one or more of the criteria (set out at Appendix 1) applies.

NB: the Committee do not have to adhere to the grounds for call-in selected by the two Members requesting the call-in – if other grounds are more appropriate, these can be used.

6. Chair to sum up and asks for vote on whether to call the decision in.

1. Decision not called in

- No need to refer it to Cabinet
- Call In Meeting closed
- (The Committee could agree to inform the Cabinet Member of any concerns of the Committee by letter)

2. Decision called in to be reconsidered by the Executive

- To agree the criteria for the call in
- Committee requests that the Chair of the O&S Committee attends the next Cabinet meeting with a formal report of the Committee ‘referring back’ the decision.
- Call In Meeting closed

THE CABINET MEMBER AND SUPPORTING OFFICERS ARE CALLED BACK IN TO THE ROOM AND NOTIFIED OF THE OUTCOME.

8. After the Meeting if 'called in'

The Scrutiny Office prepares a report setting out the criteria for the Call In, the Committee's concerns and issues and any way forward suggested.

- *The Chairman attends the next Cabinet meeting to formally request that the decision is referred back to the Cabinet.*
 - *Cabinet then discusses whether to change the original decision or not. If not, that is the end of the matter.*
 - *If yes, then the Cabinet Member will need to revisit the issues and make a new decision.*
-

Call-In Criteria

	(a) Is the Executive decision within existing policy?
1	the decision appears to be contrary to the Budget or one of the 'policy framework' plans or strategies;
2	the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees;
3	the decision appears to be inconsistent with recommendations previously made by an Overview and Scrutiny body (and accepted by the full Council or the Executive);
	(b) Is the Executive Decision well-founded?
4	the Executive appears to have failed to consult relevant stakeholders or other interested persons before arriving at its decision;
5	the Executive appears to have overlooked some relevant consideration in arriving at its decision;
6	the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the Overview and Scrutiny Committee, it is likely so to do;
7	there is a substantial lack of clarity, material inaccuracy or insufficient information provided in the report to allow the Overview and Scrutiny Committee to hold the Executive to account and/or add value to the work of the Council.
	(c) Has the Executive decision been properly taken?
8	the decision appears to give rise to significant governance, legal, financial or propriety issues;
9	the notification of the decision does not appear to have been in accordance with council procedures;

Request for Call In – Pro-forma – proposed amendments*Date: 27th April**Please arrange for a meeting of the Housing and Neighbourhoods Committee**O&S**to be called to discuss the following executive decision:**Title: Development of Housing at Dawberry Fields Road**Taken By: Cabinet**On: 25 April 2023***Reason for request:**

Criteria	Yes/No	Brief Explanation
<i>(a) Is the Executive decision within existing policy?</i>		
1. the decision appears to be contrary to the Budget or one of the 'policy framework' plans or strategies	<input checked="" type="checkbox"/>	This policy is contrary to the objectives City of Nature, Birmingham's Transport Strategy and requirement to secure best value and make best use of our assets.
2. the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees	<input type="checkbox"/>	
3. the decision appears to be inconsistent with recommendations previously made by an Overview and Scrutiny body (and accepted by the full Council or the Executive)	<input type="checkbox"/>	
<i>(b) Is the Executive decision well-founded?</i>		

Criteria	Yes/No	Brief Explanation
4. the Executive appears to have failed to consult relevant stakeholders or other interested persons before arriving at its decision	<input checked="" type="checkbox"/>	There has been no engagement with residents, local services and park users. Officers have failed to engage with members and potential partners in a way that enables us to bring forward a development that is both fair and green. This is despite local members repeatedly offering to help facilitate a design the community could support. This proposal will take out significant green space – and there has been no in-depth engagement with partners driving City of Nature or who could provide a more affordable and relevant net zero housing option.
5. the Executive appears to have overlooked some relevant consideration in arriving at its decision	<input checked="" type="checkbox"/>	The proposal has sought to impose a Passivhaus development on green space, where its benefits would not be best utilised. No best course of action or option appraisal has been undertaken to establish whether the development and method of construction is appropriate to the site, or if another would be better for this trial. There has been no biodiversity study, despite this land being left to grow semi-wild for 15 years.
6. the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the Overview and Scrutiny Committee, it is likely so to do	<input checked="" type="checkbox"/>	We have tried to engage with officers constructively for over 18 months and have highlighted the scheme limitations, and risks to the Cabinet Member and senior officer who accepted there has been a failure of process. We have no desire to fight development and have repeatedly told officers we would welcome a constructive approach to get a development that suits this area- however the Executive are seeking to tick a box and do a development no matter what the real outcome is.

Criteria	Yes/No	Brief Explanation
7. there is a substantial lack of clarity, material inaccuracy or insufficient information provided in the report to allow the Overview and Scrutiny Committee to hold the Executive to account and/or add value to the work of the Council	<input checked="" type="checkbox"/>	This is an expensive method of construction that requires for maximum efficiency certain usage. It is also wasted on an area with good air quality overlooking a park. The Council in their responses have shown they do not understand this and will be imposing on tenants and the HRA an expensive model that will perform badly for the climate and community.
<i>(c) Has the Executive decision been properly taken?</i>		
8. the decision appears to give rise to significant legal, financial, governance or propriety issue	<input checked="" type="checkbox"/>	The failure to undertake an option appraisal looking at other development options and to look at this from a place perspective suggests BCC is incapable of understanding its place-shaping role. It further suggests this site is being used to trial a certain type of housing, regardless of its suitability, in order to force through a trial - rather than looking first at what that site and community need, and working around that.
9. the notification of the decision does not appear to have been in accordance with council procedures	<input type="checkbox"/>	

Councillor



Lisa Trickett

(Signed)

(Print Name)

Councillor



David Barker

(Signed)

(Print Name)

Birmingham City Council

Report to Cabinet

25 April 2023



Subject: Development of Housing at Dawberry Fields Road

Report of: Paul Kitson, Strategic Director, Place, Prosperity & Sustainability Directorate

Relevant Cabinet Member: Cllr Ian Ward, Leader
Cllr Sharon Thompson, Housing and Homelessness
Cllr Yvonne Mosquito, Finance and Resources

Relevant O &S Chair(s): Cllr Sir Albert Bore, Co-Ordinating
Cllr Mohammed Idrees, Housing and Neighbourhoods
Cllr Akhlaq Ahmed, Resources

Report author: Shahid Iqbal, Principal Housing Development Officer,
Place, Prosperity & Sustainability Directorate
Telephone No: 0121 303 6474
Email: shahid.s.iqbal@birmingham.gov.uk

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Brandwood & King's Heath		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009213/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 The report seeks to obtain approval for the Full Business Case (FBC) and the procurement strategy of a pilot scheme for the construction of 55 new homes to Passivhaus energy efficiency standards for social rent at Dawberry Fields Road (the Scheme).

2 Recommendations

- 2.1 Approves the FBC attached to this report as Appendix A for the Scheme and delegates any changes to the FBC for the Scheme financial expenditure of up to 20% to the Strategic Director, Place, Prosperity & Sustainability.
- 2.2 Approves the procurement strategy and commencement of the procurement activity for the housing development and associated works for the Scheme using the Homes England Dynamic Purchasing System (DPS) Framework Agreement.
- 2.3 Delegates the approval of the contract award for the Scheme to the Strategic Director of Place, Prosperity and Sustainability in conjunction with the Assistant Director of Procurement (or their delegate), the Strategic Director of Council Management (or their delegate) and the City Solicitor and Monitoring Officer (or their delegate) subject to the costs being within the FBC approval in accordance with paragraph 2.1.
- 2.4 Authorises the Strategic Director Place, Prosperity & Sustainability to seek consent from the Secretary of State under Section 174 of Localism Act 2011, to exclude the new council properties developed through the Scheme from the Right to Buy pooling requirements, and to ensure that any capital receipts generated from any future sale of homes under the Right to Buy are retained by the Council for reinvestment in future housing delivery.
- 2.5 Authorises the Assistant Director, Transport and Connectivity to grant technical approval of the Scheme highways proposals and progress the preferred option to detailed design which will be the responsibility of the appointed contractor.
- 2.6 Authorises the Director of Planning, Transport & Sustainability to submit and process all necessary highway closures and notices required to facilitate the Scheme highlighted in the FBC and to enter into any appropriate agreements for the creation, improvement and alterations to highway access to the sites.
- 2.7 Delegates to the Strategic Director Place, Prosperity & Sustainability the power to amend or vary the development boundaries by up to 10% for the Scheme.
- 2.8 Delegates authority to the Strategic Director Place, Prosperity & Sustainability to submit funding applications to Homes England (HE), West Midlands Combined Authority (WMCA), the Department for Levelling Up, Housing and Communities (DLUHC), European Regional Fund or any other funding agency and accept successful applications to facilitate the Scheme development where required.
- 2.9 Authorises the City Solicitor and Monitoring Officer (or their delegate) to take all steps necessary for the preparation of any documents, to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 The proposed housing development at Dawberry Fields Road is located in the south of the city and the development is split into two sites (see appendix B, site layout plan).
- 3.2 Both sites were appropriated via Cabinet into the Housing Revenue Account (HRA) for housing development purposes; the northern site in March 2021 and the southern site in March 2017. The sites are cleared, and the northern site is approximately 0.95 Hectares / 2.35 Acres, and the southern site is approximately 0.33 Hectares / 0.81 Acres.
- 3.3 The wider area (including the 2 sites) forms part of a proposed SINC (Site of Interest for Nature Conservation) after the discovery of protected species. There are areas of woodland, a water course that runs between the 2 sites, a pond, significant level issues, and a larger public open space to the west of the 2 sites that includes a sports pitch.
- 3.4 Due to the challenging nature of the site, a great deal of partnership working was undertaken from the outset to ensure that the challenges can be overcome, and the scheme layout, design and all associated policy requirements could be achieved. The proposed scheme has been shaped, influenced, and supported by a number of key stakeholders which includes, planning, future parks, urban design, landscape practice group, principal ecologist / arboriculturist, local flood authority, highways, and city housing.
- 3.5 The Dawberry Fields Road development was identified as the Council's first scheme to be built to the Passivhaus energy efficiency standard and referenced within the Action Plan of the Route to Zero (R20) report to Cabinet in January 2021.
- 3.6 Passivhaus was developed in Germany in the 1990s. It is a quality assured standard and methodology for low energy construction which can help create buildings which use approximately 75% less energy than standard practice for UK newbuild. Using this methodology for these new homes will be of significant benefit to tenants to help alleviate fuel poverty and could be used for other sites across Birmingham in the future, subject to viability.
- 3.7 The scheme will be developed using sustainable technologies including, mechanical ventilation heat recovery (MVHR), air source heat pumps, photovoltaic panels, electric vehicle charging points.
- 3.8 Key benefits of Passivhaus for Tenants:
 - Low energy costs: addressing fuel poverty, providing opportunity for better quality of life for residents.
 - Healthy environment: a consistent supply of fresh oxygen filled pre-warmed air, combined with no fabric cold spots removes potential for condensation and mould growth. The MVHR can also filter pollen and pollution providing a much better air quality compared to natural ventilation.

- Consistent temperatures: minimal heating requirements mean that temperatures can be maintained at a comfortable level and careful sizing and orientations of windows means overheating is more easily managed.

3.9 Key benefits of Passivhaus for Landlords:

- Quality assurance: The construction of Passivhaus homes requires the materials used and the way they are constructed to be evidenced alongside having continuous insulation and very good airtightness that is tested. Homes will be built as intended. In addition, the careful balance of insulation, avoiding thermal bridges and MVHR eliminates risk of mould growth.
- Lower rent arrears: Lower energy bills means that residents are more able to afford rent.
- Longer tenancies and shorter void periods: Resulting in reduced administration and legal costs, and more appealing properties when they do become available.
- Zero carbon ready homes: Homes built to old, or 2021 Building Control standards will need additional thermal and servicing upgrades to meet zero carbon homes standards. Even homes built to Future Homes Standard will likely need upgrades beyond just adding renewables to be true zero carbon.

3.10 There are also significant benefits to support tenants with the on-going cost of living crisis. The below table shows the potential energy cost comparisons of a notional 3bed semi-detached home:

	Future Homes Standard (From 2025)	Passivhaus	Anticipated energy cost savings
	Electric / Heat Pump	Electric / Heat Pump	Electric / Heat Pump
Anticipated Annual Energy Costs	£1,911	£1,136	£775 p/a
Anticipated Monthly Energy Costs	£159	£95	£64 p/m

(Includes all power, lighting, heating, hot water. Rates based on Ofgem data for Oct 2022 price cap)

3.11 Based on the above table, the overall saving for a notional 3bed property over a 30 year period (based on the October 2022 price cap and not including inflation) is an estimated £23,250.

3.12 The development site comprises of the following:

House Type (Site A)	No of units for this house type	Gross Internal Area (GIA) per unit
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2 Bed 4 Person House	9	80.8 SQM
3 Bed 5 Person House	10	93.8 SQM
4 Bed 7 Person House	10	123 SQM
Total (Site A)	29	
House Type (Site B)	No of units for this house type	Gross Internal Area (GIA) per unit
2 Bed 3 Person Flat	6	63.1 SQM
2 Bed 4 Person Flat	20	72.1 SQM
Total (Site B)	26	
Total Units	55	

3.13 The Dawberry Fields Road development will be a fully accredited Passivhaus scheme on completion and provisions will be put in place to monitor the energy usage for a period of 12 months following occupation of the properties.

3.14 A pre-planning application for the scheme has been submitted and the reference number is 2022/05934/PA.

4 Options considered and Recommended Proposal

4.1 To develop the Scheme as outlined in this report through Birmingham Municipal Housing Trust (BMHT) with resources for the development being made available through the Housing Revenue Account (HRA) business plan. This is the recommended proposal.

4.2 To do nothing – this is not an option as the scheme will contribute to the Council's policy for Route to Zero, to increase the supply of new homes for the city and also the BMHT 10-year delivery plan.

5 Consultation

5.1 Please see Appendix C, Consultation Plan.

6 Risk Management

6.1 Please see Appendix D, Risk Register.

7 Compliance Issues

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The Scheme supports the Council's Route to Zero Strategy approved by Cabinet in January 2021. The strategy commits to reducing the city's carbon emissions and limit the climate crisis.

7.1.2 The Scheme is in accordance with the objectives of the housing revenue account (HRA) Business Plan 2023+.

7.1.3 The Scheme will make a direct contribution and is consistent with The Council's Corporate Plan 2022 to 2026 main priorities (as updated in Dec 2022) priorities and outcomes as outlined below:

- A Bold Prosperous Birmingham; the Council is committed to the development of enough high-quality new homes to meet the needs of a growing city, and the proposals within this report to accelerate housing growth in the city by providing new homes for rent and will help ease pressure on the housing register.
- A Bold Green Birmingham; the new homes will be built to a high standard of energy efficiency by using the latest technologies and use a range of measures to improve the environment and tackle air pollution by using cleaner technologies and building energy efficient homes.
- A Bold Inclusive Birmingham; the new social housing will be available to any applicant on the housing register.
- A Bold Healthy Birmingham; the links between health and housing are well recognised. New thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will provide social rented housing for residents and offer a higher quality of life, leading to better health outcomes.
- A Bold Safe Birmingham; new homes will be developed which will provide a safe, warm, sustainable, and connected neighbourhood in which all communities can thrive.

7.1.4 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. The successful tenderer will submit an action plan which will be implemented and monitored during the contract period.

7.1.4.1 The social value outcomes for the local area that tenderers will be required to address will include:

Local Employment

- Employment and employability opportunities for the target groups particularly young people.
- To provide a donation of £500 for every property built to support the Building Birmingham Scholarship to assist young professionals within the construction industry.
- A strong local employment offer with the focus on the hardest to reach groups particularly focused on the residents in Brandwood & Kings Heath and the surrounding area.

- **Buy Local**

- Spend to be, as practically as possible, with local, small and medium enterprises as well as social enterprises within a 30mile radius of the scheme.
- In recognition of the Council's policy to support sheltered workshops and its commitment to promote such firms who employ People with Disabilities, the tender will include a requirement for tenderers to seek a quotation from Shelforce to ensure they have the opportunity to price for this Scheme.

Partners in Communities

- Bidders and their supply chain will need to utilise their community reach and focus their outcomes on community cohesion with sensitivity to local demographics.
- Working with schools to focus on increasing attainment and employment options for those students facing disadvantage.
- A robust understanding and methodology for community engagement.

Good Employer

- Provide good employment practices to increase the staff employability and quality of employment.
- Demonstration of the provision of in-depth training for their employees in equality, diversity and inclusion.
- Good practices around areas including collective representation, zero-hour contracts, whistle blowing policies.
- The payment of the Real Living Wage down the supply chain is a mandatory requirement in accordance with the Council's policy.

Green and Sustainable

- Plans for a carbon natural position and what activities they are undertaking to achieve that additional to the specification including details relating to transport, recycling, materials used and offsetting.

Ethical Procurement

- The outcomes sought under this theme relate to the treatment of subcontractors in terms of payment and training.
- Evidence will be required as to how the bidder is ensuring that the materials used are sourced ethically.

7.2 Legal Implications

7.2.1 As the Housing Authority, the relevant legal powers relating to the discharge of the Council's statutory function to provide its housing need are contained in Section 9 of the Housing Act 1985.

7.2.2 Section 1 of the Localism Act 2011 contains the Council's general power of competence; Section 111 of the Local Government Act contains the Council's subsidiary financial powers in relation to the discharge of its functions.

7.2.3 The Council carries out transportation, highways and infrastructure work under the relevant primary legislation including the Town and Country Planning Act 1990, Highways Act 1980, Road Traffic Regulation Act 1984, Traffic Management Act 2004, Transport Act 2000, and other related regulations, instructions, directives, and general guidance, and the Highways Act 1980 contains the highway closures and diversions.

7.2.4 BMHT will enter into a memorandum of understanding with the Local Highway Authority to facilitate the improvement of new and existing areas of highway maintainable at public expense, that will be affected by the development proposals.

7.3 Financial Implications

7.3.1 The total estimated cost of the proposed scheme is £14.853m. This figure includes planning obligations which account for approximately £596,500 of the estimated scheme cost. The scheme will be funded from HRA revenue contributions, and 1-4-1 Right to Buy receipts. The cost of development is included in the HRA Business Plan 2023+.

7.3.2 The average cost per unit for this Passivhaus scheme is £270,100. The average cost per unit for a traditional build is £255,145. The average cost difference per unit to build between Passivhaus vs traditional is £14,955.

7.3.3 The financial viability of the scheme in the attached FBC (Appendix A) shows a deficit of £0.88m over a thirty years' period, however, the scheme would break even in year thirty two.

7.3.4 It is pertinent to highlight that a Passivhaus scheme will always be more costly to build than a traditional scheme due to the significant additional build specification. Also, there is a need to factor in the benefits to both the tenant and landlord, and the contribution that this scheme will make to the

challenges of route to zero and the on-going cost of living crisis as demonstrated at 3.7-3.9 above.

7.3.5 The financial viability of the Scheme proposal is based on the Government's social housing rent policy that rents will increase annually by the Consumer Price Index (CPI) + 1 % over a 5-year period from 2020/2021.

7.3.6 The future running costs of the properties and areas of public realm retained will be met from ongoing rental income.

7.3.7 The new Council rented homes will be subject to the Right to Buy cost floor regulations, which mean that for the first 15 years following the completion of the new homes, any tenant purchasing their Council property through the Right to Buy will be obliged to pay the Council the full construction cost of the property, irrespective of any discount to which they may be entitled under the Right to Buy legislation.

7.3.8 The construction of the new Council homes should not be liable to VAT; however, VAT may be payable on other project costs. The letting of HRA homes is non-business; as are sales of such homes under Right to Buy. The Council can reclaim VAT incurred on the development and management of HRA homes, including sales under Right to Buy. Therefore, VAT should not be a cost to the project. VAT implications are detailed in the Full Business Case in Appendix A.

7.4 Procurement Implications

7.4.1 It is recommended that a further competition exercise is carried out in accordance with the protocol of the Homes England Dynamic Purchasing System (DPS) framework agreement to appoint the preferred contractor.

7.4.2 The DPS framework agreement is specifically designed for the development of housing with a suitable breadth of suppliers with pre-agreed terms and conditions that is considered to deliver better value for money than an open tender or any other framework agreement and has been used successfully for the delivery of several similar BMHT housing development schemes.

7.4.3 The evaluation criterion to be used is 40% quality, 20% social value and 40% price.

7.5 Human Resources Implications (if required)

7.5.1 The scheme will be staffed by the Housing Development team (Place, Prosperity & Sustainability Directorate) with support from the scheme's Employers Agent, Arcadis (UK) Ltd.

7.6 Public Sector Equality Duty

7.6.1 An initial Equality assessment, Ref: EQUA959 is attached as Appendix E. A full Equality Assessment has not been undertaken as it is considered that the proposals of this report do not have any adverse impact on the characteristics and groups protected under the Equality Act 2010.

8 Appendices

- 8.1 Appendix A – Full Business Case
- 8.2 Appendix B – Site Layout Plan
- 8.3 Appendix C – Consultation Plan
- 8.4 Appendix D – Risk Register
- 8.5 Appendix E – Equality Impact Assessment
- 8.6 Appendix F – Environment and Sustainability Assessment

9 Background Documents

- 9.1 Route to Zero (R20) report to Cabinet, January 2021.

Appendix B – Site Layout Plan – Northern Site



Appendix B – Site Layout Plan – Southern Site



Appendix C – Consultation Plan

Site	Ward	Stakeholder	Activity & Response
Dawberry Fields Road	Brandwood & King's Heath	Cllr David Barker	<p>E-mail 22 Feb 2023 to Ward Cllrs sharing the scheme details / layout.</p> <p>Thanks for this. I'm really glad to see progress here. I know Cllr Trickett will have a lot to say, but for now I would first flag it looks like one block of flats has 3 bike storages, which is great, but the other block needs a couple next to it – perhaps we could move one? You could have one just south of it by the patch of grass.</p> <p>The other thing is, we will need double yellow lines between Dawberry Fields Road and Harton Way all the way on both sides – and around and corners coming off them.</p> <p>E-mail response 23 Feb 2023:</p> <p>Thank-you for your below comments.</p> <p>In terms of the bike stores, they intend to serve both blocks and have been located at the northern block because this gives the best location from a secured by design perspective, they are close to the block and well overlooked and are only likely to see anyone that should be using them being there. Also, anyone who is cycling is most likely deemed to be able to make the relatively short walk to the southern block. If I am correct in thinking where you have suggested to move one of the 3 bike stores, that small patch shown as a grassed area is within the route protection area the large Tree and due to the level issues would require digging into the ground enough to cause damage to the roots which we want to avoid so unfortunately that location is not suitable. You will have noticed that there are visitors spaces for bikes on the southern block and it is likely that anyone</p>

		<p>Cllr Lisa Trickett</p>	<p>using a bike in the southern block will probably use that space anyway.</p> <p>In terms of the double yellow lines for the site, I have contacted colleagues in Highways / Transportation and will get back to you when they have responded.</p> <p>E-mail 24 Feb 2023:</p> <p>Shahid, we need to have a proper discussion on this and an opportunity to engage with residents ahead of this proposal going forward. Any road going onto the green space would be objected to and any loss of green space will need to be compensated. Active travel needs to be a key component of this development. We also raised previously that a 100per cent social rent would change the nature of the area considerably and we would need to be looking at some form of local letting alongside assurances on the management of the site and impact on local amenity. In particular we asked that this site would be developed out as a step to the development of a net zero neighbourhood not a development with a bit of net zero thrown in. I also questioned whether this site was best suited to Passivhaus given the required layout. I also want to understand how this development links to the proposed COVID memorial park and the Future Parks programme, given again past concerns expressed. I could find time for a teams call Tuesday at 12.30 if that also worked for you and David.</p> <p>E-mail response 01 March 2023:</p> <p>The road through the both sites is a requirement as it will serve not only the residents, but also provide access for refuse collection, and also emergency services. Loss of POS compensation is a planning policy requirement and is accounted for in the scheme costs.</p> <p>You will note that we have included bike stores to encourage the use of cycling and the adjacent open space will remain accessible from the new development.</p> <p>We have looked into multiple options including for sale units within the site. However, this proved to be financially unviable. I have checked on GIS mapping</p>
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			<p>and the surrounding area still contains a fair amount of Council and Housing Association stock, and this new scheme to be built to Passivhaus energy efficiency standards will be first of its kind in Birmingham within your ward and will complement the surrounding built stock in show casing the progression, improvement and advancement of social housing provision whilst meeting government set standards. I have previously provided a response to you from the local lettings teams.</p> <p>In addition, to the housing scheme, the adjacent open space will also benefit from the scheme as we intend to use it to support the sustainable urban drainage system with features such as the creation of a swale and pond. This will not only help to prevent flooding but will help to create a natural wetland that would help sustain the various species on the site and enhance bio-diversity and ecology which is also a planning obligation.</p> <p>We have worked hard to ensure that the design, layout, and all policy requirements are adhered to and believe the scheme is reflective of this. You will hopefully be aware that the scheme was specifically included in the approved Route to Zero report to Cabinet in Jan 2021 as one of the 'Action Plan' for new build housing.</p> <p>Colleagues in the Future Parks team were involved with this scheme from the early stages and were quite influential in its design and layout. I am aware that there are due to be 10 Constituency led Covid Memorial parks across the City (including Selly Oak/ Dawberry Fields) but I have not seen any specific proposals for this site.</p> <p>This scheme will contribute not only to housing needs for the city, but also support the current cost of living crisis by providing housing that will have considerably less energy bills as well as contribute to the climate change.</p> <p>I trust that this provides some clarity on your questions / comments. Thank-you.</p> <p>E-mail 25 March 2023: Shahid</p>
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			<p>In your layout and proposal you have failed to address the concerns I raised early last year and and again have failed to understand the issues I again raised with you.</p> <p>As it stands I would not be able to support this development and would question its efficacy in terms of planning policy, value for money and our net zero pathway. You have failed to appreciate the impact that this development will have on the existing community or appreciate the relationship of the development to the much used and appreciated green space. If you were to take lessons from Passivhaus pilots elsewhere or listen to local authorities that have engaged residents and tenants on this design type (I would very much recommend engaging with Swansea Council) you would understand that the need to keep windows sealed is a major deterrent to residents and whilst they may be appropriate in areas where there is high air pollution so providing a liveable safe space – opening up onto a park where every human instinct is to open a window is inappropriate. The layout of the Passivhaus design is also unsuited to an area where you should be seeking to bound a park not encroach on much needed green space. You could secure many more units and a net zero development with a different design and housing offer. The problem is this proposal does not take us on the pathway to net zero or contribute to the sustainability of the neighbourhood or help secure the wellbeing of the community I am elected to serve, I fear you are seeking to deliver a project not shape a better place.</p> <p>100% social housing is not regarded as good practice and the development of mixed communities is at the core of planning guidance. I had suggested to you that we could overcome this if we looked at an alternative management model where there could be intensive localised housing management - such as within some form of cooperative development or partnership with BVT. I also said given the concerns of residents who have been displaced by clearance from Druids Heath an adjacent neighbourhood we could better build the sustainability of the</p>
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			<p>tenancies and reduce demands on local services in the neighbourhood if we looked at a local lettings policy – again you said this was not current policy again ignoring my point that we have an ability to create and change policy given we are the strategic housing authority!</p> <p>I can welcome the SUD proposals and potential pool but again how this relates to the challenges currently presenting with the stream and landscape is not clear – compensating the loss of green space in a business plan is not the same as ensuring that an area already deprived of access to green space is able to continue to benefit from the green space. The fact no one has sought to clarify the relationship to the COVID memorial park development speaks volumes. I have also previously referenced the challenge of taking the community with us on this development – they would love to see the allotments reinstated and enhancement of the green space – as would the adjacent school. We are saying we are moving to Net Zero and a City of Nature but are now looking to develop out a space that contributes significantly to the biodiversity of the neighbourhood.</p> <p>Your desire for roads is referenced in relation to bin trucks but again there are opportunities to build into such developments waste disposal and recycling arrangements -that do not require trucks driving through an area. These are not untested, nor is the limiting of car ownership developments such as Bioregional's development BEDZED have been around now for some two decades and are still providing much needed social housing within a one planet living model. I am deeply concerned that this development fails meet the needs climate or the community I am elected to serve. In not looking at the wider principles of sustainable development you put at risk the deliverability of this scheme and inevitably place myself and the community into a position of opposing the development scoring politically a massive own goal.</p> <p>Ian, it would be helpful for us to talk these issues through and revert back to officers</p>
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			<p>prior to any report going on the Cabinet system.</p> <p>KR</p> <p>Lisa</p> <p>E-mail response:</p> <p>The design and layout was very challenging and we from the outset we worked with a range of key colleagues including, City Housing, Planning, Urban Design, Landscape Practice Group, the Council Ecologist, Highways, Local Flood Authority, and Future Parks to receive advice and guidance to ensure that we are able to put together a scheme that provides the best fit for this difficult site. The layout is designed in a way to maximise solar gain as advised by the scheme architects and it is pertinent to highlight that the properties will be of a higher specification than the proposed 2025 New Homes Standard. To clarify your comment about the windows – they can be opened, however, the principal with these properties is to ensure that they are as airtight as possible to minimise heat loss and the technologies provide a constant flow of recycled air which is of a great benefit to health.</p> <p>As previously advised, we did look into a mixed scheme and looked into a sales element for the site, however, this was not financially viable. As this is a pilot scheme, we believe that it is better for it to be managed by the Council so that we can monitor and evaluate the scheme and also identify lessons learned which would help provide information for any future schemes of this nature. In terms of a local lettings policy, I have previously contacted the lettings team and provided you with their response. You may wish to take this matter up with them.</p> <p>The ecology / bio-diversity proposals have been worked up with the Council's ecologist and there will be an increase in bio-diversity as a result of this development. We also engaged with the local flood authority to ensure that the development drainage strategy mitigates against future flood risk. The loss of POS contribution is a planning policy requirement and where that contribution is</p>
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			<p>spent is not something that housing is involved in, you might want to liaise with colleagues that are responsible for parks / open spaces. In terms of the allotments, I have clarified previously that the Allotments were removed some 15 or more years ago due to the lack of usage and that decision was taken by the relevant part of the council and my understanding is that the removal of the allotments would have gone through a formal process to get Secretary of State approval. Any new allotments would need to be implemented by the team that deals with allotments for the Council.</p> <p>You will recall that this was discussed during the meeting with Director of Planning (Ian MacLeod) last year and he also confirmed the requirements of the Parking SPD, but we have reduced the parking provision for the apartments to around 80% as a result. We believe that the scheme will be a significant benefit to the local area and is a key contribution towards Route to Zero.</p>
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Appendix D, Risk Register

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1.	Supply of labour and materials	Continual monitoring of the latest situation. Review contract terms and conditions to ensure relevance. Seek to transfer risk of cost increase to third parties e.g. contractor.	Medium	Significant	Material	Regularly review the situation.
2.	Tender pricing comes in above the pre-tender estimate.	The Employers Agent to provide a timely pre-tender estimate that reflects current market conditions prior to issuing tender documentation.	Low	Medium	Material	There is a 20% tolerance in the FBC if the scheme cost is above the pre-tender estimate. However, in the unlikely event that the tolerance is exceeded then the specification will be reviewed to achieve any required savings.
3.	Costs increase during construction period due to worldwide market conditions.	Ensure robust contract management process are in place. Review and challenge all proposed cost increases.	Medium	Medium	Material	Costs continually reviewed in conjunction with project team.
4.	Difficulty in attracting bidders for this scheme.	Development and Procurement colleagues will conduct a soft market testing event with suppliers from the Homes England Framework and	Medium	Significant	Material	Feedback provided will be used to inform the tender packs.

		also invite other suppliers to join the framework to be invited to tender.				
5.	Planning / Highways Approval Delays.	Development and Planning Teams work more closely together on scheme design and objectives.	Low	Medium	Tolerable	Review on a monthly basis and escalate earlier if necessary.
6.	Educating tenants and Asset management colleagues, providing Information and knowledge of technology usage in Passivhaus to limit Maintenance call-out.	Development team and Build partner will work together to provide a handover pack (Home User Guide) which will include a manual of how to operate devices. During handover a demonstration will be shown to tenants by the contractor. A YouTube video will be produced demonstrating how to use/ maintain various pieces of equipment within the house. A Post Occupancy Evaluation (POE) will be conducted after 12 months on energy saving and ease of tech usage.	Low	Medium	Tolerable	Project manager will liaise with stakeholders especially housing officers in operational methods, and regularly review.

Appendix E – Equality Impact Assessment

Title of proposed EIA	BMHT Dawberry Fields Road Passivhaus Development
Reference No	EQUA959
EA is in support of	New Function
Review Frequency	No preference
Date of first review	30/11/2022
Directorate	Inclusive Growth
Division	Housing Development Team
Service Area	
Responsible Officer(s)	<u>Shahid S Iqbal</u>
Quality Control Officer(s)	<u>Richard Woodland</u>
Accountable Officer(s)	<u>Colette McCann</u>
Purpose of proposal	To review the EIA for the proposed housing development at Dawberry Fields Road, Brandwood & King's Heath Ward
Data sources	Other (please specify)
Please include any other sources of data	The site is the final phase of the Allen's Croft initiative.
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	
Protected characteristic: Disability	Not Applicable
Disability details:	
Protected characteristic: Sex	Not Applicable
Gender details:	
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	
Protected characteristics: Pregnancy and Maternity	Not Applicable

Pregnancy and maternity details:	
Protected characteristics: Race	Not Applicable
Race details:	
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	
Socio-economic impacts	The proposed development will provide employment, apprenticeship, training, opportunities as part of the build contract in line with the requirements of Birmingham Charter for Social Responsibility (BCC4SR).
Please indicate any actions arising from completing this screening exercise.	None
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	
Consultation analysis	N/A
Adverse impact on any people with protected characteristics.	No
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	N/A
How will the effect(s) of this policy/proposal on equality be monitored?	On completion of the housing development, the properties will be let in compliance of the Council's lettings policies to ensure equality.
What data is required in the future?	Equality data is collated on the Northgate system for lettings.
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	No.
Initial equality impact assessment of your proposal	The report to Cabinet is initially to approve a procurement strategy and full business case for the proposed housing development at Dawberry Fields Road, Brandwood & Kings Heath Ward. However, the proposal will benefit all members of the local community by:

The housing development will provide 55 new high-quality homes for social rent in an area where there is significant demand for affordable housing. The housing will be available to all residents of Birmingham that qualify.

The proposed development will bring an under-utilised parcel of land into use for housing development and thus improve the local environment and support the local economy.

The housetypes are a mix of 2-bedroom flats 2, 3, and 4 bedroom houses. There is a significant need for larger housing across the City and this development will make a great contribution to that need to support larger families and reduce over-crowding.

This is the first Passivhaus scheme for Birmingham and the design of Passivhaus properties includes:

- Homes that are super insulated.
- Stringent levels of airtightness, no air leakages.
- Building the properties with the orientation that provides the best position to receive heat from the sun and shade in the summer as well.
- Windows that do not allow heat to escape.
- Having fresh air ventilation systems such as mechanical ventilation with heat recovery.
- Passivhaus design relies on a simple 'tea cosy' effect maximising the use of super insulation and stringent airtightness and paying meticulous attention to the removal of thermal bridges.
- By combining this with passive solar gain and mechanical ventilation and heat recovery systems, Passivhaus design can create healthy and comfortable buildings that require minimal heating.
- This scheme will be monitored and evaluated to learn lessons for future BMHT schemes.

This will make a significant impact on reducing fuel poverty. Also, the properties will be built to lifetime homes standard and secured by design standard.

The successful contractor will be a signatory of the BCC4SR and will be obliged to provide employment, training, and apprenticeship opportunities as part of the contract. In addition, a £500 contribution for each property built is required towards the Building

Birmingham Scholarship (BBS) programme to support young people from disadvantaged neighbourhoods into higher education.

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

The proposals of this report do not have any adverse impact on the characteristics and groups protected under the Equality Act 2010.

The proposal will help, create employment, training, and apprenticeship opportunities; boost the local economy; provide a wide range of housing options including for larger families; contribute towards reducing the Council's housing register; help reduce fuel poverty; bring an under-utilised site into use that will improve the local environment.

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing? Yes

Quality Control Officer comments

Decision by Quality Control Officer

Submit draft to Accountable Officer? No

Decision by Accountable Officer

Date approved / rejected by the Accountable Officer

Reasons for approval or rejection

Please print and save a PDF copy for your records Yes

Appendix F – Environmental & Sustainability Assessment

Project Title:	Dawberry Fields Road – Passivhaus Development			
Department: Place, Prosperity & Sustainability	Team: Housing Development Team		Person Responsible for assessment: Shahid Iqbal	
Date of assessment: 06 October 2022		Is it a new or existing proposal? New		
Brief description of the proposal: 55 new homes for social rent; 29 houses and 26 apartments				
Potential impacts of the policy/development decision/procedure/ on:	Positive Impact	Negative Impact	No Specific Impact	What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?
Natural Resources- Impact on natural resources including water, soil, air	✓			Development to have a range of measures to ease the run-off from the site to reduce potential flooding including swales and ponds and other potential works to the existing water course as discussed with the LLFA. The adjacent side of the site will be improved to provide an easy access to the adjoining open space which will encourage the use of cycling and walking.
Energy use and CO ₂ emissions	✓			The Passivhaus model will ensure that these properties are vastly more energy efficient than traditional build properties. The properties will benefit from a range of modern technologies such as Mechanical Heat Recovery, Air Source Heat Pumps, Photovoltaic Panels and there will be no gas in the properties. All properties will use electricity. Emissions from the properties will be negligible. All properties will benefit from triple glazed windows to reduce heat-loss. In addition, all houses will have their own electric vehicle charging points and the flats will have shared use. In addition, all properties will have electric charging points for bicycles.

Quality of environment	✓			The design of the scheme will provide a quality aesthetic which is sympathetic to the surrounding locality with the formation of a new community, having the benefit of open space, adjacent to the site. The improvements to the adjacent public open space will significantly improve the quality of the environment. All properties will be subject to detailed landscaping proposals.
Impact on local green and open spaces and biodiversity	✓			Site currently is unkept and closed off and is rarely used by the local community. There is an adjacent large public open space, and this scheme will be designed in a way to provide residents suitable access. Using targeted planting schedules which incorporates wildflowers, shrubs, etc. will harness and improve biodiversity. The adjacent site will benefit significantly from the proposed drainage solution with the creation of a large swale to support drainage off the development site and create a greatly improved natural wetland that will increase bio-diversity.
Use of sustainable products and equipment	✓			<p>All materials that are used with the development are to be sourced where possible with the use of local suppliers (within a 30 miles radius) and is part of the social value agenda. In addition to the measures detailed above, the following are also included within the scheme:</p> <ul style="list-style-type: none"> • Timber frame construction • Non permeable parking • Rain gardens • Recycling bins to be supplied to the kitchen base unit
Minimising waste	✓			<p>The contractor will be using segregated waste and disposal bins on site with all waste transfer notes kept on site and available for inspection.</p> <p>Re-cycling of materials will be maximised with waste to landfill kept to an absolute minimum, with KPI's reported monthly.</p>

				Contract requires a 95% waste reduction by re-cycling during the construction process, with waste wood and materials re-used locally. Contractor will be ISO 14001 accredited for the protection of the environment and operate with an environmental policy statement. Large construction plant(s) will not be idling when not in use.
Council plan priority: a city that takes a leading role in tackling climate change	✓			The site is a key output of the Route to Zero Action Plan that was approved at Cabinet in January 2020.
Overall conclusion on the environmental and sustainability impacts of the proposal	The proposal provides much needed housing for the local community and will create the Council's first Passivhaus development which includes a range of modern technologies and will make a significant contribution towards Route to Zero. The wider environment will benefit from the use of wildflowers, shrubs, planting, and the creation of a swale to deal with attenuation which will harness and improve biodiversity and will help local communities to thrive.			

FULL BUSINESS CASE (FBC)			
A. GENERAL INFORMATION			
A1. General			
Project Title <i>(as per Voyager)</i>	Development of Housing at Dawberry Fields Road		
Voyager code	LV0019-26		
Portfolio /Committee	Housing and Homelessness	Directorate	Place, Prosperity & Sustainability
Approved by Project Sponsor	Paul Kitson	Approved by Finance Business Partner	Carl Tomlinson
A2. Outline Business Case approval <i>(Date and approving body)</i>			
The Outline Business Case for the scheme was included in the options appraisal appendix of the Birmingham Municipal Housing Trust (BMHT) Delivery Plan 2019-2029 report to Cabinet on 14 May 2019.			
A3. Project Description			
<p>The Full Business Case is seeking approval to commence the construction of 55 new homes for social rent at Dawberry Fields Road, Brandwood & King's Heath Ward. The development will be on two cleared sites that were appropriated into the HRA in March 2021 and March 2017 via a report to Cabinet.</p> <p>The scheme will be the Council's first development built to Passivhaus energy efficiency standards and the scheme will be monitored and evaluated to learn lessons for future Passivhaus schemes. The scheme will also be a fully accredited Passivhaus development.</p> <p>Pre-tender estimates have been obtained for the construction of 55 new homes from the appointed Employers Agent, Arcadis (UK) Ltd.</p>			
A4. Scope			
<p>Birmingham City Council will be undertaking the following;</p> <ul style="list-style-type: none"> • Design of housing development scheme • Work with stakeholders to develop new sustainable housing • Obtaining planning approval for the development of 55 new homes • Undertaking site investigations and surveys • The procurement process and contract award • Contract management of the build programme 			
A5. Scope exclusions			
<ul style="list-style-type: none"> • Site assembly and clearance costs • Future management of social rent properties • Discharge of planning conditions 			
B. STRATEGIC CASE			
<i>This sets out the case for change and the project's fit to the Council Plan objectives</i>			
B1. Project objectives and outcomes			
<i>The case for change including the contribution to Council Plan objectives and outcomes</i>			
<p>The project contributes to the Council objectives, such as:</p> <ul style="list-style-type: none"> • A Bold Prosperous Birmingham; the Council is committed to the development of enough high-quality new homes to meet the needs of a growing city, and the proposals within this report to 			

accelerate housing growth in the city by providing new homes for rent and will help ease pressure on the housing register.

- A Bold Green Birmingham; the new homes will be built to a high standard of energy efficiency by using the latest technologies and use a range of measures to improve the environment and tackle air pollution by using cleaner technologies and building energy efficient homes.
- A Bold Inclusive Birmingham; the new social housing will be available to any applicant on housing register.
- A Bold Healthy Birmingham; the links between health and housing are well recognised. New thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will provide social rented housing for residents and offer a higher quality of life, leading to better health outcomes.
- A Bold Safe Birmingham; new homes will be developed which will provide a safe, warm, sustainable, and connected neighbourhood in which all communities can thrive.

B2. Project Deliverables

These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc

The scheme will deliver 55 new homes for social rent, consisting of the following:

House Type (Site A)	No of units for this house type	GIA per unit
2B4P House	9	80.8 SQM
3B5P House	10	93.8 SQM
4B7P House	10	123 SQM
House Type (Site B)	No of units for this house type	GIA per unit
2Bed 3person Flat	6	63.1 SQM
2Bed 4Person Flat	20	72.1 SQM
Total number of dwellings	55	

B3. Project Benefits

These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.

Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
Energy efficient homes	The new properties will be built to Passivhaus energy efficiency standards which will significantly contribute towards Route to Zero
Creation of 55 new homes	The scheme will contribute towards reducing the demands on the housing register.
Regenerating the area	The scheme will improve the local environment and benefit the local economy by providing employment / training / apprenticeship opportunities through the build contract
Building Birmingham Scholarship (BBS)	The scheme will contribute £27,500 to the BBS bursary scheme

For major projects and programmes over £20m:

N/A

B4. Benefits Realisation Plan

Set out here how you will ensure the planned benefits will be delivered

The Council Houses will be delivered by the Council's well established and award-winning

APPENDIX

Birmingham Municipal Housing Trust (BMHT). The project will be managed by experienced project managers who will monitor expenditure and outturns via monthly site project meetings. Progress will be regularly reported to the BMHT Project Board as required.

B5. Stakeholders

Please see table G4 below

C. ECONOMIC CASE AND OPTIONS APPRAISAL

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities

C1. Summary of options reviewed at Outline Business Case

(including reasons for the preferred option which has been developed to FBC)

If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.

As per A2

C2. Evaluation of key risks and issues

The full risks and issues register is included at the end of this FBC

A risk register is in the covering Executive Report – Appendix D

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

N/A

D. COMMERCIAL CASE

This considers whether realistic and commercial arrangements for the project can be made

D1. Partnership, Joint venture and accountable body working

Describe how the project will be controlled, managed and delivered if using these arrangements

N/A

D2. Procurement implications and Contract Strategy:

What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).

The procurement strategy for the Scheme is to carry out a further competition exercise in accordance with the protocol of the Homes England's Dynamic Purchasing System (DPS) Framework Agreement. The tender evaluation criteria to be used will be 40% price, 20% social value and 40% quality.

D3. Staffing and TUPE implications:

N/A

Key Inputs			
Construction		Running Costs, etc.	
Total Development costs	£14.84m	Weekly rent	2 bed £102.18, 3 bed £134.18, 4 bed £152.17
Total Sales Income	£0.00m	Rent loss - voids / arrears	2.0%
		Annual rent increase	7% 2023/24 then 3.0% ongoing
RTB activity assumed	None	Management Costs	£1,028

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		Repairs Costs	£981
Key Outputs		Capital Works (5-yearly)	£5,357
(Surplus) / Deficit after 30 years	£0.88m	Annual Cost Increase	2.5% (CPI 2.0%)

HRA Extract	2021/22	2022/23	2023/24	2024/25	2025/26	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
	£m	£m	£m	£m	£m	£m
Rental Income	0.00	0.00	0.00	0.00	(0.15)	(15.17)
Voids and arrears	0.00	0.00	0.00	0.00	0.00	0.30
Repairs and Maintenance	0.00	0.00	0.00	0.00	0.03	2.17
Management Costs	0.00	0.00	0.00	0.00	0.03	2.28
Cash-backed Depreciation	0.00	0.00	0.00	0.00	0.06	2.29
HRA Deficit / (Surplus) Contribution	0.00	0.00	0.00	0.00	(0.03)	(8.13)
Revenue contributions from wider HRA (to fund capital investment shown below)	(0.06)	(0.12)	(2.02)	(4.43)	(2.38)	(9.01)
Net HRA Impact	0.06	0.12	2.02	4.43	2.35	0.88
Capital Account	2021/22	2022/23	2023/24	2024/25	2025/26	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
	£m	£m	£m	£m	£m	£m
Pre Contract Costs	0.09	0.20	0.07	0.00	0.00	0.36
Build Costs (including Fees)	0.00	0.00	3.30	6.97	3.96	14.23
POS & Infrastructure Costs (including Commuted Sum)	0.00	0.00	0.00	0.25	0.00	0.25
Total Development Costs	0.09	0.20	3.37	7.22	3.96	14.84
Capital Investment / Renewals ¹	0.00	0.00	0.00	0.00	0.00	2.29
Other Capital Financing (RTB 1-4-1 Receipts)	(0.03)	(0.08)	(1.35)	(2.79)	(1.58)	(5.83)
Revenue Contributions from wider HRA	(0.06)	(0.12)	(2.02)	(4.43)	(2.38)	(9.01)
Receipts/Grant	0.00	0.00	0.00	0.00	0.00	0.00
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	0.00	(2.29)
Total Capital Income	(0.09)	(0.20)	(3.37)	(7.22)	(3.96)	(14.84)
Capital Account (Surplus) / Deficit	0.00	0.00	0.00	0.00	0.00	0.00

Balance Sheet Extract	2021/22	2022/23	2023/24	2024/25	2025/26	2051/52
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 30

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	£m	£m	£m	£m	£m	£m
Land & Buildings	0.00	0.00	0.00	0.00	13.98	26.57
Cyclical Investment Reserve	0.00	0.00	0.00	0.00	0.06	0.55
Capital Reserve	0.00	0.00	0.00	0.00	(14.04)	(27.12)
Net	0.00	0.00	0.00	0.00	0.00	0.00

Properties	2021/22	2022/23	2023/24	2024/25	2025/26	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
HRA Social Rent Properties	0	0	0	0	55	55
Sale Properties	0	0	0	0	0	0
Total Properties	0	0	0	0	55	55

Formal approval to the ongoing capital investment / renewals programme (at a total value of £2.29 million over the coming 30 years) will be sought in due course as a part of the overall HRA capital programme as details of elemental investment needs emerge over time.

E2. Evaluation and comment on financial implications:

The financial viability of the scheme shows a deficit of £0.88m over a thirty years' period, however, it is pertinent to highlight the scheme will break even in year 32. Also, a Passivhaus scheme will always be more costly to build than a traditional scheme due to the significant additional build specification. There is a need to factor in the benefits to both the tenant and landlord, and the contribution that this scheme will make to the challenges of route to zero and the on-going cost of living crisis. Cost per unit for Passivhaus is £271,872 between a traditional build at £256,918 per unit. Therefore, gross build cost perspective average between Passivhaus and Traditional is £14,954 per unit.

E3. Approach to optimism bias and provision of contingency

There is a 20% tolerance in the FBC if the scheme cost is above the pre-tender estimate. However, in the unlikely event that the tolerance is exceeded then the specification will be reviewed to achieve any required savings.

E4. Taxation

Describe any tax implications and how they will be managed, including VAT

The construction of new dwellings is zero rated for VAT purposes. Zero rating extends to services in the course of construction of new dwellings but does not include professional and supervisory services, except where those services are provided as part of a single "design and build" contract for the construction of new dwellings. Furthermore, zero rating does not extend to items that are not ordinarily incorporated in new dwellings such as domestic appliances, e.g., cookers, fridges, washing machines etc., or garden buildings, e.g., sheds. As such, BCC will incur VAT on the acquisition and installation of such items within HRA dwellings

The letting of HRA dwellings is a statutory function of BCC and thus non-business. As such, BCC can reclaim VAT incurred on its development, provision, and management of new HRA dwellings without any adverse VAT implications for BCC. However, the VAT treatment of such income and expenditure should be confirmed prior to commencement of the project.

For the homes for sale, the land transfer value is exempt from VAT and any VAT on the Council's

cost associated with and transfer is exempt input tax that counts towards the Council's 5% partial exemption limit.

F. PROJECT MANAGEMENT CASE

This considers how project delivery plans are robust and realistic

F1. Key Project Milestones

The summary Project Plan and milestones is attached at G1 below

	Planned Delivery Dates
Planning approval	May 2023
Commence Tender	May 2023
Contract Award Report	Oct 2023
Start on site	Jan 2024
Practical completion	Mar 2026
12 months Defects	Mar 2027

F2. Achievability

Describe how the project can be delivered given the organisational skills and capacity available

Birmingham City Council is an award-winning developer of mixed-use residential developments through Birmingham Municipal Housing Trust (BMHT).

BMHT was set up by the Council in 2009 to build new council homes. Since 2009, BMHT has developed over 3500 new homes for rent and sale. BMHT has a proven track record on delivery and established itself as the biggest housing developer in Birmingham by completing 25% out of all the new homes built in the City since 2011.

F3. Dependencies on other projects or activities

The key risk remains unforeseen consequences of the impact of inflation, the conflict in Ukraine, the availability and costs of human and raw material resources.

There is an interdependency of all the elements of this project to deliver a comprehensive and strategic approach, which includes, infrastructure works and highways, procurement of development partner, associated legal documents / agreements to be negotiated and signed, and completion of planning conditions.

F4. Officer support

Project Manager: Shahid Iqbal

Project Accountant: Carl Tomlinson

Project Sponsor: Paul Kitson

F5. Project Management

Describe how the project will be managed, including the responsible Project Board and who its members are

The project will be managed in house by Council officers from the Housing Development Team. Overall management / monitoring shall be via the Housing Project Board:

Paul Kitson – Strategic Director, Place, Prosperity & Sustainability Directorate

Colette McCann – Head of Housing Development

Carl Tomlinson – Interim Finance Business Partner – City Operations & City Housing

G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. PROJECT PLAN*Detailed Project Plan supporting the key milestones in section F1 above*

See F1 for project milestones.

G2. SUMMARY OF RISKS AND ISSUES REGISTER*Risks should include Optimism Bias, and risks during the development to FBC**Grading of severity and likelihood: High – Significant – Medium - Low***The risk register is appended to the executive report for this project as Appendix D.**

Risk after mitigation:

Risk or issue	mitigation	Severity	Likelihood
1.			
2.			
3.			
4.			
5.			
6.			

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS*Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)*

N/A. However, applications for grant and/or other funding will be submitted when the appropriate opportunity arises.

G4. STAKEHOLDER ANALYSIS

Stakeholder	Role and significance	How stakeholder relationships will be managed
Ward members	Active lead ward representative, interest of constituents/ Council - High	In house through dialogue and engagement / consultation
Local community	Residents - High	On-going resident information
Planning Officer	Consultant/ advisory - High	Regular design team meetings to review progress
Contractor	Delivery/Operational -High	Monthly site meetings throughout the scheme
Architect	Consultant/advisory/Designer - High	Periodic meetings, formal professional relationship
Engineers	Consultant/Advisory -High	Periodic meetings, formal professional relationship

Other Attachments*provide as appropriate*

• None

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