

To: Cabinet
Date: 11 March 2020
Report of: Scrutiny Committee
Title of Report: Blackbird Leys Development Project

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations concerning the Blackbird Leys Development Project
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Leisure and Housing and Councillor Mike Rowley, Cabinet Member for Affordable Housing
Corporate Priority:	Strong and Active Communities
Policy Framework:	Housing & Homelessness Strategy 2018-2021:
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 03 March 2020, the Scrutiny Committee considered a report concerning the Blackbird Leys Development Project detailed design.
2. The Panel would like to thank Councillor Linda Smith, Cabinet Member for Leisure and Housing, for co-presenting the report and answering questions. The

Committee would also like to thank Andrew Humpherson, Regeneration Manager, for compiling the report and supporting the meeting, Tom Bridgman, Executive Director (Development), and Oliver Maury, Partner at Montagu Evans for supporting the meeting.

Summary and recommendations

3. Councillor Linda Smith, Cabinet Member for Housing and Leisure, and Andrew Humpherson, Regeneration Manager presented the report. Owing to the commercial sensitivity of the issues involved this item was held in confidential session; little detail of the discussion is therefore provided here.
4. In response to the report presented the Committee focused its questions along a number of key themes:
 - Delivering social value within the project
 - The Community Centre
 - Climate and ecological concerns
5. The Committee makes three recommendations.

Social Value

6. Since May 2019 the Council has sought, through the way it procures goods and services, to deliver social value to the local community. It does so by including a 5% weighting in its procurement for social value considerations such as the way the tenderer seeks to protect and enhance the environment, create healthier, safer and more resilient communities, support growth of responsible local businesses, and promote local skills and employment.
7. The Committee recognises that the original contract with Catalyst Housing Limited (CHL) was signed prior to the Council instituting social value as part of its tendering process. However, it is felt that as the project is expected to move onto its next stage there is justification to raise this as an issue with the contractor. It is the view of the Committee that if it can secure social value benefits through this contract it should seek to do so.

Recommendation 1: That the Council asks Catalyst Housing Limited to complete the Council's social value procurement paperwork and to agree for its undertakings to be included within the Stage Two Gateway proposals.

The Community Centre

8. The Committee discussed the plans for the Community Centre at length. The two key issues were around continuity of service during the decant period, and management models.

9. In regards to the decant, the Committee noted that there is a particular lack of resilience to many of the services and groups run from community centres. A yoga class instructor is unlikely to be able to pause their classes for six months; if they face disruption they are much more likely to stop and set up elsewhere. If they were to do that, it would be harder to get them back. As such, even a small amount of disruption can reduce community amenity significantly.
10. It is recognised that there will be support for existing users following the demolition to be accommodated elsewhere on the estate to ensure that current users can engage with their services until the new centre is available. However, the Committee did raise concerns over whether the lack of resilience in activities at the Community Centre had been factored in sufficiently. Provision of inadequate alternatives, or simply failure before and during the decant process to communicate the Council's plans well enough could cause lasting damage to the activities available in the area. Owing to the high levels of deprivation, the effect of any losses would be bigger than elsewhere so it is felt that decant of the Community Centre which retains a focus on ensuring the future needs of the wider Blackbird Leys community can be met is vital.
11. Regarding governance of the Community Centre, the Committee's view is that the ideal outcome is one where it is run by the community itself. However, it is recognised that any community enterprise does require social capital and structures to set up and run. It took the Council between two and three years of community development to achieve the required levels of capacity for Barton to be self-run. The timeframe for meaningfully committing to such a course of action is therefore shorter than might be anticipated and the Council must act soon if it wishes to realise this ambition.

Recommendation 2: That the Council

- a) **consults extensively on the adequacy of its alternative provision for current activities at the Community Centre during the decant period, to ensure that the new centre will continue to support the community as part of a wider healthy place making agenda**
- b) **invests the time and resources to develop the social capital required to enable community-management of the Community Centre to be a viable operating model.**

Climate and Ecological Concerns

12. The standard of building committed to within the viability assessment meets the requirements of the emerging 2036 Local Plan in delivering a 40% increase in efficiency on Building Regulation efficiency standards, and BREEAM Excellent rating for the Community Centre.
13. In section 85 of the report before Cabinet the text states that Catalyst Housing Limited will explore going further than this requirement. 'CHL is further committed to delivering solutions that reduce carbon emissions... The sustainability proposals will continue to be developed as part of the Detailed

Design Stage 2 proposals, with consideration of the impact of further enhancements including Passivhaus and other improvements to sustainability’.

14. The Committee welcomes CHL’s willingness to explore sustainability improvements. However, in light of the evidence of the Climate Emergency Review Group that building to Passivhaus standards no longer necessarily attracts a price premium the Committee considers it reasonable to seek that this standard of efficiency, particularly around insulation and air-tightness, should be met for the homes constructed. However, it is recognised that Passivhaus accreditation does add a significant expense, so this is not recommended. The Committee notes that there are building contractors with experience of delivering to Passivhaus standards at costs below those of building to Building Regulation standards so it is felt not to be an unreasonable request, particularly in light of CHL’s own undertakings to reach the more stringent emerging Local Plan 2036 standards.
15. An area of advice provided to the Committee, which was welcomed, was in regards to the opportunities for cost control. The Council has appointed a pricing consultant, Ridge, to monitor project costs and has secured a high degree of transparency over spending. Ensuring that Ridge pay particular attention to pricing suggestions around high-efficiency homes would ensure buildings could be delivered to such standards at current, comparable, prices rather than the premium prices of recent history.
16. The Committee also expressed the view that a benefit of living in a Passivhaus standard home is significantly lower heating bills. Whilst it does not subscribe to the view that Passivhaus homes are more expensive to construct, a means of reducing any premium that did arise would be through instituting a ‘comfort plan’ payment analogous to that implemented by Nottingham City Homes, which diverts the money paid by tenants to heat inefficient homes to investing in greater efficiency instead, delivering more efficient homes at no additional cost to tenants. Should additional funds need to be found to reach Passivhaus standards, the Committee considers this to be an equitable and sensible approach to closing any funding gap.
17. Finally, though the commitment to looking at sustainability improvements is welcomed, no mention is given to the ecological impact of the development. The Council has a Biodiversity Technical Advice Note, which identifies how the ecological impact of development can be managed. However, good practice is to work with a biodiversity partner who can provide expert advice on how and where to implement such ideas for maximum benefit, as well as providing external monitoring of the delivery of such plans. The site of the development lies between two particularly rich areas for biodiversity; expert support to ensure that wildlife can safely travel between the two is particularly important in this case.

Recommendation 3: That in the detailed design phase of the project the Council requires that Catalyst Housing Limited includes the following within the Stage Two Gateway proposals:

- a) **Passivhaus standards of insulation and air-tightness**
- b) **Appointing a suitably experience sustainable construction consultant to advise on best practice for delivering homes at Passivhaus standards at construction prices at or below those for Building Regulations**
- c) **A ‘comfort payment’ system similar to that from Nottingham City Homes as a means of closing any viability gaps related to the cost of delivering Passivhaus standards**
- d) **The appointment of a biodiversity partner to advise on and monitor actions to support ecological mitigations to the development.**

Further Consideration

18. It is anticipated that there will not be further consideration of this topic by the Committee until the detailed design phase has been agreed. At that point the Committee may wish to scrutinise the proposals before they are considered by Cabinet.

Report author	Tom Hudson
Job title	Scrutiny Officer
Service area or department	Law and Governance
Telephone	01865 252191
e-mail	thudson@oxford.gov.uk

Cabinet response to recommendations of the Scrutiny Committee made on 03/03/2020 concerning the Blackbird Leys Development Project.

Response provided by Cabinet Member for Affordable Housing, Councillor Mike Rowley

Recommendation	Agree?	Comment
<p>1) That the Council asks Catalyst Housing Limited to complete the Council's social value procurement paperwork and to agree for its undertakings to be included within the Stage Two Gateway proposals.</p>	Yes	The Council has asked Catalyst who have agreed in principle and we will work with Catalyst to generate a Social Value strategy moving forward.
<p>2) That the Council:</p> <p>a) consults extensively on the adequacy of its alternative provision for current activities at the Community Centre during the decant period, to ensure that the new centre will continue to support the community as part of a wider healthy place making agenda</p> <p>b) invests the time and resources to develop the social capital required to enable community-management of the Community Centre to be a viable operating model.</p>	Yes Yes	<p>The Cabinet report identifies this work will be included as detailed in the section on Stakeholder Engagement</p> <p>Boosting social capital of residents and local organisations is definitely planned for as we move forward however, no decision has been taken on future management options and the final choice of business model will need to be agreed at a later stage</p>
<p>3. That in the detailed design phase of the project the Council requires that Catalyst Housing Limited includes the following within the Stage Two Gateway proposals:</p> <p>a) Passivhaus standards of insulation and air-tightness</p>	Partial	Provision has been made for compliance with the emerging Local Plan requirements however we will continue to look at further options to improve standards in line with the overall budget envelope

∞

Date of Cabinet Meeting: 11.03.20

<p>b) Appointing a suitably experience sustainable construction consultant to advise on best practice for delivering homes at Passivhaus standards at construction prices at or below those for Building Regulations</p>	<p>Yes</p>	<p>The Catalyst team already includes a sustainability consultant with Passivhaus experience</p>
<p>c) A 'comfort payment' system similar to that from Nottingham City Homes as a means of closing any viability gaps related to the cost of delivering Passivhaus standards</p>	<p>No</p>	<p>Catalyst is unable to agree as they do not have the financial systems to support this and it is not part of the current Development Agreement</p>
<p>d) The appointment of a biodiversity partner to advise on and monitor actions to support ecological mitigations to the development.</p>	<p>Yes</p>	<p>Catalyst team already includes an environmental consultant who will advise on biodiversity as part of their environmental impact assessment</p>

6

This page is intentionally left blank