

# **GLOUCESTERSHIRE ECONOMIC GROWTH SCRUTINY COMMITTEE**

**MINUTES** of a meeting of the Gloucestershire Economic Growth Scrutiny Committee held on Wednesday 17 November 2021 at the Council Chamber, Gloucester City Council.

PRESENT:

Cllr Roger Whyborn	Cllr Alastair Chambers
Cllr Matt Babbage (Chair)	Cllr Chloe Turner
Cllr Nicky Packer	Cllr Paul Baker
Cllr John Murphy	Cllr Mark Mackenzie-Charrington
Cllr Gina Blomefield	Cllr Dr Andrew Miller

Substitutes: Cllrs Paula Dee, Mark Mackenzie-Charrington and Dr Andrew Miller

Officers in attendance: Mike Dawson, David Owen, Pete Carr, Sophie Benfield, Simon Excell, Colin Chick and Angela Presdee, Mike Craggs, Dave Sheridan, Ken Mercer, Andrew Darke and Mark Power.

Apologies: Steve Mawson, Cllr Rebecca Halifax and Cllr Paul McCloskey

## **5. DECLARATIONS OF INTEREST**

No declarations of interest were received.

## **6. MINUTES**

The minutes of the meeting held on 15 September 2021 were approved.

The Chair took this opportunity to formally welcome the Vice-Chair of this Committee, Cllr Paul Baker, who was appointed via Gloucestershire County Council's full council meeting.

## **7. MODERN METHODS OF CONSTRUCTION (MMC)**

- 7.1 Mike Dawson, CEO of Tewkesbury Borough Council and Chair of the Senior Officer Group, introduced the item and explained that this was the second of three sessions looking at Modern Methods of Construction (MMC). Members were reminded of the previous session (January 2021) which looked at the use of MMC for social housing, and the final session would be a discussion with private developers. Following the conclusion of all three sessions, there would be a summary report produced for the Chair to present to GEGJC.
- 7.2 The first presenter was an introduction from Michael Craggs, Development & Asset Management Innovation Lead at Bromford, and members noted the following points:

- The mind-set change and journey surrounding a move to using MMC as an alternative to traditional build continued. Bromford had experienced hesitation around securing money (funding and mortgages e.g.) and obtaining energy certificates etc. for these builds.
- Slide 3 explained the available categories of MCC, Bromford mainly used categories 1 and 2 which came ready made in a number of sections, delivered onto site and constructed.
- The sector update on slide 4 highlighted the funding partnership with Homes England to commit around £5.2b to the social housing sector (£239m funding to Bromford) between 2021-26, incorporating a percentage use of MMC. Additional funding had been requested to help integrate the use of MMC into its building portfolio.
- Bromford had a big focus on reducing their impact on carbon emissions. Challenges remained on how PLC's would deliver changes made at a nation level, such as, the no gas approach from 2025 and EPC improvements by 2030.
- There needed to be a partnership approach in this sector to enable PLCs to deliver carbon neutral housing in the county (local authorities, land owners etc.), as well as bringing the use of MMC into the sector. Bromford had a target to be net zero by 2030.

7.3 The second presenter was Dave Sheridan, CEO of Ilke Homes, members noted the following points:

- Slide 9 outlined a brief context of Ilke Homes
- They stated that they could not deliver on housing needs without the use of new building methods. Therefore, they had brought new employees from different industries, creating 500 new engineering jobs. This was expected to increase by three times in two years.
- Ilke Homes, within Slide 10 explained that they wanted to ensure they created a home that was future proof. This slide showcased a Category 1 metric house. Their aim was to make houses where people wanted to live, not where they had to live. To date they had delivered 650 homes using this new method.
- Slide 11 listed the advantages of MMC which included;
  - Quality Time and Cost
  - Productivity
  - Delivery at pace
  - UK industry
  - Political landscape
  - Skills Shortage
  - Future homes as standard
- Slide 12 outlined the benefits of volumetric, which included;
  - Carbon footprint
  - Local environment
  - Energy

- Waste
- Slide 14 outlined an MMC case study in Drybrook, Gloucester. Here they had built 51 houses and 6 flats. This included 2 bed, 3 bed and 4 bed homes.

7.4 The third presenter was Ken Mercer, National Sales Manager at Beattie Passive, members noted the following points:

- Slide 19 provided context of the company and its history in delivering 'Passivehaus'.
- Slide 20-21 outlined the benefits of the Passivehaus approach.
- Slide 22 outlined an example of their work, with Cardiff Council to build homes to help with homelessness, which was completed within a 50-week turnaround. It was explained that in 6-8 years, the apartments built in Cardiff could be repurposed into bungalows, flats, houses and reconfigured to the need.
- The company was factory based, in Nottingham but they stated they were looking to expand this across the country. The houses were built within factory conditions and then delivered to site.
- These homes had an end life of 200 years, at which point all the timber and insulation could be reused.

7.5 The final presenters were Andrew Dark and Mark Power, Directors at Forest Homes Collaborative. Members noted the following:

- It was explained that the Forest Homes collaboration was a flexible, sustainable and buildable set-up, consisting of a modular system which generated more energy than it uses.
- Slide 28 outlined the flexibility of the system to make different configurations, for a family, single person or couple made from the same set of homes/panels to make different types of dwelling.
- Slide 29-30 explained that the flexibility applied to layout and appearance. The appearance could be changed to the context of the immediate landscape. This therefore better reflected local character and specific conditions. Additionally, the construction sourced local materials and skills as well as focussing on local offsite manufacturing.
- Slide 31, showcased a prototype (made in Summer 2021), constructed from timber which naturally sequestered carbon. There was an aim to get the timber from sustainable and local sites where possible. The prototype was developed and transported by truck to location. 10 panels took less than 3 hours to raise, this made a single 5m<sup>2</sup> room. The target was to build a house in a week from the base. This was a low-tech approach, but it was designed to use local workshops and skills to reduce transportation distances, which in turn created local jobs and employment.

- Slide 32 outlined a pilot project of a 3-bedroom house with a workshop. Here the intention was to prove the energy model in collaboration with the University of Bath
- In summary, Forest Homes provided a flexible, sustainable and buildable housing solution with a new aesthetic to meet the climate challenge, building innovative homes with local character for a sustainable future.

## **Questions**

- 7.6 It was queried, noting the huge number of positives for using MMC, why it was not more widely used already. Members noted that there was not a direct drive to bring anything else into the marketplace, there was little confidence in anything apart from traditional build, even from Homes England. This lack of confidence also impacted warranty providers who were reluctant to get involved in an unknown quantity, manufacturers, home buyers who were not used to having an alternative option, mortgage providers and large-scale housing developers. It remained, unfortunately, that housing providers could make more profit from using traditional build.
- 7.7 It had however begun to take a turn, start-ups in the MMC arena had worked very hard to drive this product, to reassure and pacify those who had little confidence in making the change. The journey for MMC had been similar to the motorcar 25 years ago, it had taken early manufacturers to drive the change. The biggest challenge remained of convincing large scale housing developers to opt for this style of build, and also to use the benefits to make a real difference in the delivery and standard of social housing.
- 7.8 A member asked if MMC developers were at a disadvantage when it came to bidding for land. It was explained that land value was land value, the competition was traditional housing developers and having to compete against a very well-established way of doing things. There was a noticeable dilemma however in that the cost of units was divided into the land value. The delivery of housing was then measured against meeting standard building regulations, the standard of MMC was much higher than this but regardless of what money was spent on building the property to this higher standard, the land cost the same and no higher rent could be charged. This was a problem for the future due to the need to build homes at a higher EPC rate, for example. There needed to be a better focus on the sustainability driver of using MMC and looking at how to reduce the land costs in line with being able to deliver these higher standards.
- 7.9 It was heard that MMC's worked very well with air source heat pumps, and developers were always exploring the options of new technologies coming to the market, for example, the sunlamp system. MMC also had much better insulation than traditional builds anyway, so technologies such as the heat pumps would be more used for heating water.
- 7.10 Looking forward to the future of housing standards, it was questioned whether MMC designs could be adapted to deal with, for example, the new

age of Covid with increased ventilation etc. It was advised that MMC was very adaptable, everything in the design could be changed or moved around at the point of design, that was one of its biggest advantages.

- 7.11 Noting the ecological emergency, it was queried what MMC were doing to build with nature rather than against it. It was advised that adaptability of MMC design was key here. It was no longer necessarily just about visual green space, but also about things such as animal boxes, water saving devices etc. things that could be built into an MMC design as standard. Building in urban areas needed to better incorporate the natural landscape, and MMC could provide new innovative designs like this.
- 7.12 A member raised that the case example of an MMC project in Drybrook had caused some traffic issues at the time. It was explained that Gloucestershire had a requirement of an escorted police order for deliveries of its size, whilst not many other local authority areas did. It was appreciated that this caused disruption for residents, but the disruption was limited to two days, rather than potentially years that can be seen with major traditional housing developments. It was stressed that the type of MMC used at Drybrook may not be the right answer for every site, but the message from today was about giving consumers a choice.
- 7.13 The Chair confirmed that there was one more sessions as part of their investigation into MMC which was with private developers. The aim after that session would be to produce a report which outlined their findings, and any recommended further work for the GEGJC to consider.

## **8. GIIF PROGRAMME AND EMPLOYMENT AND SKILLS**

- 8.1 Due to the overrunning of the previous item, the Gloucestershire Infrastructure Investment Fund presentation and report was postponed until January's meeting.
- 8.2 Pete Carr, Director of Employment and Skills for GFirst LEP, presented the second item. Members noted the following points:
- Slide 1 outlined the skills landscape and emerging policy changes which focussed on the following categories:
    - DfE skills for Jobs White Paper
    - Qualifications
    - Climate Change
    - Employer Investment
    - Collaboration sub-regional & Regional Working
    - Possible implications for Gloucestershire
    - Autumn 2021 Budget
    - New Ministers

- Slide 2 outlined the Central Skills Portal which provided a platform for residents who were made redundant or furloughed to explore upskilling or reskilling, looking for jobs and providing careers advice. The Employment and Skills Hub (run by the GFirst LEP & GCC) would provide skills for those furthest from the labour market.
- It was noted that 39% of employers nationally did not offer training for staff, which really emphasised that without external funding and support, some businesses would not invest in their staff development. The one benefit for employees of the changing economic landscape may be that employers, who cannot afford to pay their staff a higher wage, may decide to invest in training to retain and attract employees.
- There was a pilot at the moment where 10 employers were working with students in Gloucestershire to look at opportunities for work placements and explore how best to support their staff in terms of development. The challenge with something like this was scale, in Gloucestershire 80% of business were SMEs and may not have the spare finance to invest in skills.
- Slide 3 outlined the GFirst Careers Hub which included 50 schools and 1 college. They had worked with schools and colleges alongside the Gatsby Benchmarks to ensure standards were suitable.

8.3 It was questioned whether every secondary school in Gloucestershire was involved in the work of the Careers Hub, and whether it possible to see how different schools were performing as a result of their involvement. Members noted that this was an optional scheme and tried to encourage as many schools as possible to sign up, not all had unfortunately. The support enabled those schools involved to see whether they met the requirements in what they were offering to their students, and if not, what they could do to improve.

**ACTION:** To provide more information on the Careers Hub, the schools that are involved and data – Pete Carr

## **9. GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE UPDATE**

The Chair invited Cllr Philip Robinson, Vice-Chair of the Gloucestershire Economic Growth Joint Committee (GEGJC), to give the Committee an update on the morning's meeting. Members noted the following points:

- There was an update presentation on the Employment and Skills agenda, similar to that received at today's scrutiny meeting.
- The Committee were updated on GCC's Covid-19 Economic Recovery Plan. All the bids submitted to the Levelling Up Fund were successful, and this equalled £52.8m worth of investment for Gloucestershire. This success would also help towards Gloucestershire's fusion bid as it continued the levelling up theme.

*Minutes subject to their acceptance as a correct record at the next meeting*

- The Employment and Skills Hub was now live.
- GCC had approved 45 Build Back Better bids from Councillors which had resulted in £385,000 of investment so far.
- Funded by Arts Council England and FoDDC, the Forest Economic Partnership were currently leading an exercise to understand public opinion on a Forest of Dean [Biosphere Reserve](#).
- There was an annual update on Strategic Planning in Gloucestershire, particularly M5 J10 where further developments had come to a standstill as waiting for planning white paper.
- Several of the projects funded through the Government's Getting Building Fund [£11.3m] had reached or were reaching completion.
- The LEP were working with GCC to consider launching a 'Made in Gloucestershire' initiative which would enable businesses and traders to certify that they were providing locally sourced products.
- There had been no update on the planned Government's LEP review.
- The estimated gains from the Business Rate Pool were £4.027m for 2021/22, which was slightly reduced from the period before.

On the issue of HGV driver shortages, it was acknowledged that the closure of the test centre in Gloucester had not helped and contact had been made with the DVLA to consider reinstating a test centre in the county. There was also recent news that a private training arm of Gloucestershire college had been successful in its bid to provide a 15-day training course of HGV qualifications. A member urged that GCC needed to take more of a pressured stance on this issue. It was agreed that the officer would look into this further.

**ACTION: Pete Carr**

**CHAIR**

Meeting concluded at 16:10

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