

**CABINET
5 SEPTEMBER 2023**

**DELIVERY OF NEW HOMES AT NEASHAM ROAD
SITE A**

**Responsible Cabinet Member –
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director –
Ian Williams, Chief Executive**

SUMMARY REPORT

Purpose of the Report

1. To seek approval for the Council to pay the Neasham Road JV Ltd an uplift in building costs impacting on 17 dwellings as a result of revisions to Part L and Part F of the Building Regulations.

Summary

2. Cabinet approval was obtained in September 2020 to establish a new Joint Venture Company (JVC) between Esh Homes Ltd and the Council , the Neasham Road JV Ltd, which provided the infrastructure to open up the site at Neasham Road and build and sell homes on parts of the site, as shown hatched pink at **Appendix 1**. The development of 155 new homes on Site A is well underway.
3. At the time contracts were completed with the Neasham Road JV Ltd to start on site building out Site A, there were future changes anticipated in respect of Part L and Part F of the Building Regulations. It was not clear as to when these would be introduced and what the financial implication would be.
4. If an allowance had been made for these anticipated costs at the time of entering into contracts, the deductions would have been significant. However, mitigation measures have subsequently been undertaken by the Neasham Road JV Ltd to minimise the liability, as referred to in Paragraph 8 of this report.

Recommendation

5. It is recommended that Cabinet approve the payment to Neasham Road JV Ltd of the uplift in building costs in respect of Part L and Part F Building Regulations as shown in **Appendix 2, Part III** of this report.

Reason

6. The recommendation is supported by the following reason – to ensure that Neasham Road JV Ltd are reimbursed for the costs associated with complying with Building Regulations.

Ian Williams
Chief Executive

Background Papers

No background papers were used in the preparation of this report.

Jenny Dixon : Extension 6320

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no Health and Well Being Issues
Carbon Impact and Climate Change	The new homes will comply with the governments energy efficiency requirements.
Diversity	There are no diversity issues
Wards Affected	Hurworth
Groups Affected	Not Applicable
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Council Plan	Growing Darlington’s Economy by delivering more homes
Efficiency	An investment return will help the Council’s budget
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

7. The updated Building Regulations under Part L require that all new homes must produce less carbon emissions than the previous version of the regulations. Part F stipulates improvements to the thermal performance and air tightness of new homes and seeks to positively improve the thermal comfort, ventilation and energy consumption of buildings.
8. Only 17 houses of the 155 on Site A are subject to the uplift in costs because the other houses (138no) were commenced in advance of the new regulations taking effect.
9. The additional costs per house to comply with Part L and Part F are set out in Appendix 2.
10. A breakdown of these costs has been provided by the Neasham Road JV Limited and will be verified by an independent QS prior to payment.
11. The cost to comply with Part L and Part F will be offset against the capital receipt.