**LEP – Sub Committee**

**Growth Deal Management Board**

**Private and Confidential: No**

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**Building Research Establishment Environmental Assessment Methodology**

**(BREEAM)**

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###### **Executive Summary**

It has become apparent that, within the suite of Growth Deal projects, there is disparity in relation to BREEAM requirements placed upon individual schemes.

The contractual obligation placed upon some schemes to achieve BREEAM accreditation incurs considerable time pressures and also attracts significant financial costs (upto £500,000 per project).

There is a need to address the current positon and associated anomalies in order to achieve a standardised approach across Growth Deal projects. The desired standardisation should ensure that all projects build to an agreed standard, gain independent sign-off of that construction standard at reasonable cost – but not to insist on very costly, but unnecessary, accreditation

##### **Recommendation**

The Growth Deal Management Board is invited to:

1. Receive, consider and comment upon the content of this report

2. Endorse the proposed "next steps" outlined within the report

3. Confirm that, going forward, Growth Fund Agreements and Memorandums of

Understanding for all Growth Deal projects (including skills projects) will not insist

on BREEAM accreditation

**Background and Advice**

The Growth Deal programme has evolved with a range of projects being 'granted

funding' from various boards using different criteria. This has led to a range of build

qualities being required within the approvals process, and subsequently reflected

within Growth Fund Agreements.

Skills Capital bids have insisted on BREEAM excellent accreditation for new build

and BREEAM very good accreditation for refurbishments, whilst competitive growth

deal bids do not insist on any accreditation above building regulations.

The current position is that there is a total disparity across Growth Deal projects in

terms of BREEAM requirements, which needs to be addressed in order to achieve a

standardised, equitable, approach.

**Experience**

During project monitoring sessions with individual projects it has been reported that

whilst the cost of accreditation is between £300k – £500k per project the

accreditation doesn't add anything to the project in terms of achieving any outcomes.

As a result the Value for Money of insisting on accreditation has been questioned.

Feedback has also challenged the equity of placing requirements on some, but not

all, projects to achieve BREEAM accreditation.

The requirement to gain accreditation and the associated cost - hence the need to

build to the agreed standard, gain independent sign-off of that construction standard

at reasonable cost, but not to require accreditation at up to £500k

**Initial Research**

A preliminary meeting was convened with LCC Building and Design Team in order to

understand more about BREEAM and to determine the approach to BREEAM taken

by Lancashire County Council (LCC).

What emerged is that:

* BREEAM standards are a range of environmental benchmarks that include items that are already covered by building regulations, Growth Fund Agreement metric requirements and social value requirements, (considerate contractor schemes etc.)
* LCC Building and Design Team do not aim for BREEAM accreditation within a build, but build to the spirit of BREEAM where appropriate.

It's recognised that the expert opinion from LCC needs to be supplemented, and

not wholly relied on. On that basis an approach will be made to Jim Carter (LEP

Director) and Keppie Massey (the firm of surveyors that are used for City Deal) in

order to gain impartial and independent views/opinions.

**Proposed Next Steps**

1. Further work is undertaken with LCC Building Design Team and LCC Estates Team in order to:

* to develop a form of words to include in the standard Growth Fund Agreement that will ensure quality robust buildings are funded by public money but projects remain Value for Money.
* to compare growth deal priorities with BREEAM priorities and give advice where the two standards conflict.

1. Activity is undertaken, by the Programme Office, to create a form of words for inclusion in Growth Fund Agreements/Memorandums of Understanding that reflects that (as now) an employer's agent to certify standard of build standards or GDMB reserve the right to insist on inspection of designs and / or completed buildings by an independent assessor at the projects sponsors costs .