

Building Sustainability

Issue 40 March 2021



Larkfleet urges focus on existing housing stock to meet green targets

Following on from the announcement of the government's 10-point green action plan, in January the Prime Minister set out a further ambitious target – to reduce emissions by 69 percent by 2030 compared with 1990 levels. Measures to meet this reduction will include bringing forward the ban on gas boilers in homes. Karl Hick, Co-owner and Chairman of the Larkfleet Group is calling for a greater focus on retrofitting existing housing stock to avoid slowing new build production.

With a government source singling out gas boilers as "The big issue", bringing their ban forward two years – to 2023 from 2025 – is seen as a significant step in meeting the new timeline. Currently 80 percent of UK homes are heated by gas boilers which contributes 14 percent of the country's harmful greenhouse gas emissions.

Karl Hick, Chairman of Lincolnshire based Larkfleet Homes said: "Decarbonising homes clearly has the potential to make significant inroads towards these important goals and the revised timescale.

"We applaud the government for its ambition and accept that these measures will result in yet more stringent regulations for new builds. We are already trialling a number of innovative solutions in an attempt to be able to achieve these goals but it's clear the supply and manufacturing side of our industry is simply not ready.

"One example that is becoming increasingly popular is air source heat pumps. However, they have a reputation for poor reliability. The servicing infrastructure is wholly inadequate and will require thousands of additional trained service personnel to back up its mass use.

"2025 was already massively challenging but 2023 I would suggest is impossible.

"We are committed to driving change, but government has to understand change isn't instant. Loading unrealistic challenges will result in housing supply collapsing and with these extra cost burdens, in lower value areas we'll see volumes disappearing.

"The previous code for sustainable homes was abandoned at level 3, as it was clear development north of Peterborough was just not viable and would lead to the acceleration of the north/south divide, meaning that there would be delivery of very few homes in many areas of the UK.

"Furthermore, to focus solely on new builds would be a mistake. The UK's housing stock is well documented as being draughty and poorly insulated. This results in them leaking heat at three times the rate of



Karl Hick, Chairman and co-owner of Larkfleet Group

more energy efficient homes on the continent and in the UK at present regulations.

"A major program of retrofitting better insulation and energy efficient heat sources has been instigated, yet progress has been slow. Although retrofitting costs can be significant, the resulting benefits not only cut emissions but also lower bills and decrease the pressure on the NHS which currently spends £1.4bn a year treating conditions associated with poor housing.

"The Future Homes Standard will already ensure that new build homes are future-proof with low carbon heating and improved energy efficiency. Placing increasingly onerous demands on the industry by outlawing gas boilers in a reduced timescale will lead to a slowing in housing delivery as manufacturing catches up with the demands from housebuilders.

"A better solution would be a more efficient and focused retrofit programme. Costs will come down and the benefits better understood as the supply chains are consolidated. Even with the government's commitment to building 300,000 new homes a year by 2030, the proportion of new build homes will still only represent around fifth of the housing stock. If these new homes are already subject to stringent energy efficient standards, the overall ambition set out by the government would be better served by a concerted effort to improve the other 80 percent and the huge environmental improvement this would bring"

Progress of our Graduates

In September 2020 we welcomed the first two participants in Larkfleet Group's Graduate Training Programme. The initial year of the four-year programme will see the graduates spend several months in each of the key departments. Following this, with the guidance of their mentor, they will choose a professional qualification to complete over the next two years before spending the final year in an appropriate role within Larkfleet Group.

Left: James Winfield in the Land Department.

Right: Alfie Hick in the Sales Department.



Larkfleet enjoys strong performance in six months post first lockdown

Larkfleet Group, has seen a strong trading performance since exiting the first lockdown in the summer of 2020.

A statement from John Anderson, Group CEO of Larkfleet Group:

"All parts of the business have performed well over the reporting period since the first lockdown last year. Strong demand for our homes and a far greater focus on control of work in progress and strategic investment has resulted in cash reserves and balance sheet improving significantly.

"We have strengthened the team and made significant improvements in our operational infrastructure and procedures leading to better quality control, safety and the standard of service we provide to our customers.

"Our reservations and completions over the period have materially exceeded expectations with 235 new reservations taken over the six-month period ended 31st December 2020 (2019:177) and 256 new home completions over the same period (2019:196).

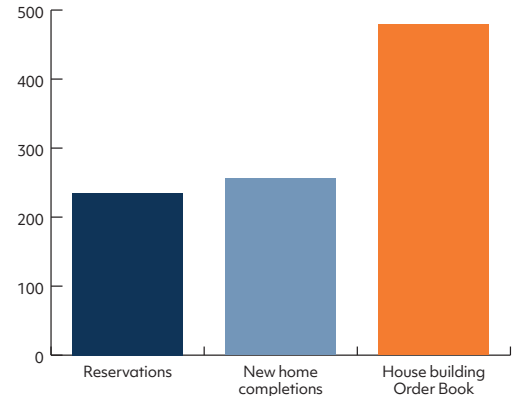
"As at 15th February 2021, the house building order book for financial year ending June 2021, stood at 479 units, continuing the strong performance from the first half of the financial year. In addition to this strong order book, we are also carrying 226 units into future financial years.

"The group handed over 32 Affordable Homes to local residents and helped 96 people to move with the popular, government-backed, Help to Buy scheme, enabling first time buyers to buy their first home. Other initiatives included a part-exchange and various Assisted Move schemes that have enabled many people to move to a newly built home.

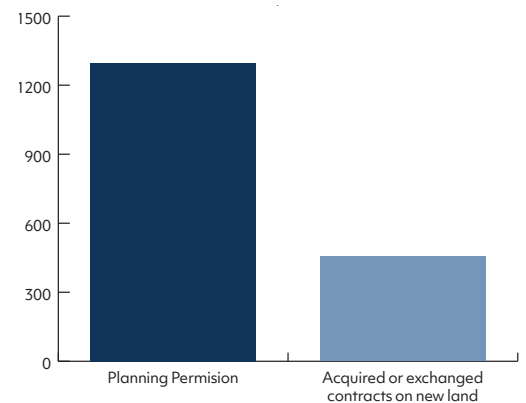
"The Group has successfully brought forward option sites through the planning process, acquired new sites, and agreed new land options for the future to feed our ambitious growth plans. Since 1st July 2020 we have secured planning permission for 1,297 units and have acquired or exchanged contracts on new land which will provide a further 455 new homes.

"We are also extremely proud of our record in helping local communities enjoy the often-ignored economic benefit that new home building provides. Over the course of the financial year (based on Knight Frank Estate Agents analysis), achieving our forecast completions we will provide over £80m of economic benefit to the community which includes almost £26m spent on suppliers creating over 1,500 local jobs. In addition, the new homes bonus will provide Local Authorities with an additional £1.8m and an annual council tax income of almost £700,000 annually.

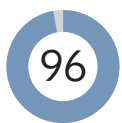
"Karl and Helen Hick, Owners and Chairman of Larkfleet Group and I would like to thank all staff, sub-contractors, suppliers, local authorities, housing associations and funders for their continued support."



Figures from 6 month period ending 31.12.2020



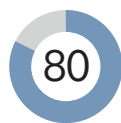
Figures since 01.07.2020



Affordable homes



Help to Buy homes



£80m economic benefits to the community



£26m spent on suppliers



£1.8m new home bonus to local authority



£70,000 council tax paid

Highly Commended at Regional Business Awards

Larkfleet Group is celebrating after being awarded Highly Commended at the Stamford Mercury Business Awards.

Larkfleet Group was nominated for the Large Business of the Year Award at the Stamford Mercury Business Awards thanks to the company's transformative year and the positive impact it's had on its communities.

On submission of the award, Larkfleet was shortlisted and has now been awarded Highly Commended by the Stamford Mercury Business Award judges.

Speaking on the achievement, Karl Hick, said: "We are delighted to have been recognised for our achievements over the last year with the Highly Commended award for the Mercury's Large Business of the Year 2020.

"It is a great honour to receive the award and know that we have managed to not only withstand the impact of the COVID-19 pandemic which rocked the construction industry – but continue to flourish. This is thanks to the dedication of our inspirational staff and leadership team."



Celebrating its apprentices as part of National Apprenticeship Week

Larkfleet is passionate about supporting and training young people and helping to launch their careers in the construction industry.



February 8th – 14th was the National Apprenticeship Week and one of Larkfleet's apprentices, Lauren Bartle, shares her experiences of working as a Joinery Apprentice for Larkfleet Homes and the benefits it has brought her.

Lauren Bartle, Joinery Apprentice, said: "I first started my Joinery Apprenticeship at Larkfleet Homes in 2019 with a great deal of ambition to learn and develop my knowledge. Being a woman in the construction industry is not easy and Larkfleet was the first company where I felt I was accepted and treated equally, and it has been a great place to learn and show that I am just as capable as anyone else.



Karl Hick, Lauren Bartle and Helen Hick

"My role involves a whole host of tasks, broadly consisting of assisting our sub-contractors, sourcing materials, fitting skirting boards, assisting my site manager with preparing homes for the Construction Management Organisation (CMO) inspection and supporting the team with any work that needs completing.

"I take every opportunity I can to learn as much as possible on-site. My goal is to become a site manager one day, so I make sure to ask my site manager lots of questions to learn about the different aspects of his role.

"Working on all stages of the build process, from the very beginning constructing the timber frames, through to adding the finishing touches of the final product, has helped me to understand the detail of the development process and provided me with valuable first-hand experience. As part of my apprenticeship, I am also completing my NOCN C Skills Awards Level 2 NVQ Diploma in Wood Occupations (Construction) in Site Carpentry, studying one day a week at Grantham College.

"Overall, apprenticeships are a fantastic way to not only hone your craft and gain valuable practical experience but also develop an understanding of the sector and how businesses operate at all levels. According to research carried out by Women in Construction in 2018, across the construction industry, the ratio of men to women is 87:13 and only 9% of apprenticeships are women. I want to show and encourage other women who are thinking of beginning a career in construction that they can do it and it's possible to thrive with the right company!"

Larkfleet Homes South West team grows with two new appointments

Larkfleet Homes South West team excited to welcome two new employees as the company continues to flourish.

Clair Bennett has been appointed as Sales Advisor to guide potential buyers through from expressing interest in a property, to buying options, to reserving their home and finally picking finishing touches. Clair has a strong background in sales and her previous role was as an estate agent.

Alongside, Clair, **Steve Hunt** has also joined Larkfleet Homes South West as its new dedicated Customer Care Operative. Steve will be working with and supporting homeowners once they have bought their Larkfleet Home and are living on the development, acting as their main point of contact and ensuring they settle into their new homes. Steve will also be working alongside trusted contractors to ensure standards are kept high.

Katharine Lenton, Regional Sales Manager at Larkfleet Homes South West, said: "As a team, we are delighted to welcome Clair and Steve on board. We are passionate about our customer journey so with the appointment of a Sales Advisor and Customer Care Operative, our customers have knowledgeable guides right from their expression of interest to when they are living in their brand new Larkfleet home."



Donation of £1,200 to Bourne Foodbank

Larkfleet's head office is in Bourne so employees across the company set out to do their bit to help support their local community, raising £1,200 for the local foodbank which is run under the auspices of the Trussell Trust.

Andrea Harvey, Personal Assistant at Larkfleet, established a strong relationship with the foodbank several years ago and this year donations were raised for the charity through several different methods. Colleagues across the company contributed to a donation box co-ordinated by Hannah Guy, Planning Manager at Larkfleet, at the company's head office which remained open during December following government guidelines. Larkfleet employees raised a sum of £700, of which £100 was used to purchase items from the foodbank's 'needed' list.

David Morris, Land Director at Larkfleet, said: "Thanks to the kind donations from our employees, we were thrilled to raise £1,200 for the Bourne Foodbank. We know just how important the foodbank is to those in our community and the brilliant work they do. We donated to the foodbank last year and this year our employees felt it was more important than ever that we do what we can to help. Many people have been impacted and pushed into poverty by Covid-19 and the third lockdown will no doubt exacerbate this.

"We hope that both our food and monetary donations will go some way to helping support the most vulnerable in our community. Thank you to everyone who has donated and shown amazing community spirit during these challenging times."

Barry Streets, from the Bourne Foodbank, said: "We provide emergency assistance to those in need in Bourne and the surrounding area and are entirely run by volunteers. We rely completely on donations from the general public, local schools, local organisations, churches and companies so Larkfleet's substantial and generous contribution is gratefully received and will help us to provide the food and hygiene and cleaning products needed in our community."



Larkfleet ready to embrace ambitious carbon zero ready targets

The government has responded to a consultation on the Future Homes Standard, setting out plans to radically improve the energy performance of new builds, with all homes to be zero carbon ready by 2025. Karl Hick, Chairman of Larkfleet Group, welcomes the clarity but voices some reservations over the timescale.

"I've long been supportive of the government's environmental ambitions and was disappointed when the green agenda was conspicuously absent from the most recent spending review. This omission was somewhat rectified by the announcement late last year of the 10-point green plan.

"This latest response builds on the Greener Buildings element of that plan, providing clarity over timescales and expectations for delivery of the zero carbon ready homes. This greater clarity and defined timescale are important steps towards ensuring the housebuilding industry can deliver against the government's environmental aspirations.

"However, the government's announcement makes no reference to expectations for the improvement of existing housing stock – beyond requirements for new extensions or renovations. Addressing existing housing stock is something I feel is critical if we are to raise the standard of environmental efficiency across the industry. I have previously also expressed concern about the effect the introduction of new targets and regulations will have on the pace of building and the volume of houses that the industry can deliver.

"Larkfleet Group has long been committed to driving innovations which deliver greater energy and environmental efficiency for our industry and the company has made significant preparations and investments in this area. So, despite my concerns for the ability of housebuilders in

general to deliver against these targets, and acknowledging that the published timescales remain ambitious, Larkfleet is in a strong position to meet the government's targets.

"All our homes are already built to SAP 10 calculations and many are fitted with solar panels from the outset. We work closely with our supply chain to identify innovation and improvement in materials and installation methods and are currently trialling air source heat pumps at one of our latest developments.

"Using our platform as a founding member of the All Parliamentary Party Group for SME Housebuilders we are determined to continue taking a leading role in shaping policy that benefits our customers, our industry and the environment for generations to come."



Larkfleet welcomes greater focus on North and Midlands

Housing secretary, Robert Jenrick, has announced a change to the proposed algorithm that will determine the number of new homes required to be built in a defined area. Karl Hick, Chairman and Co-owner of the Larkfleet Group, has welcomed the news and the accompanying plans to improve access to brownfield sites.

Today's announcement follows a consultation launched in the summer aimed at establishing how best to support the government's ambition to deliver 300,000 new homes a year by mid-2020s. The new proposals will prioritise reuse of vacant buildings and development of brownfield sites to support the recovery of city centres and protect green spaces.

The government will also revise the 80/20 rule which guides how much funding is available to local areas to help build homes. These revisions aim to level up funding across England's 20 largest cities and urban areas rather than concentrating it on London and the South East.

Karl Hick, Chairman of the Larkfleet Group said: "I fully support adjusting the principles that guide decisions around new homes and the additional measures announced today. These changes will level up the delivery of housing in the Midlands and the North,

specifically in urban areas. Even in normal times the original formula would have been controversial thanks to the emphasis it would have placed on developments in London and the South East. Given the impact of COVID-19 on cities and urban areas north of London, it was essential that the government look again at the balance of support for housebuilding.

"With the adoption of more flexible working practices we are seeing a marked increase in people willing to commute further to work, less frequently. As a result, peoples' places of work are no longer such a dominant driver in their decision of where to live. Improving the planning system to favour regeneration of urban brownfield sites and reuse of vacant buildings will not only deliver suitable homes in the places where people want to live but also drive investment and revitalisation of high streets scarred by the pandemic.

"I also welcome the additional funding plans for brownfield development. Currently SME housebuilders are discouraged from taking on challenging or large sites due to the associated higher infrastructure costs. Traditional banks tend to prefer to lend for land or build costs, so a government fund designed to help SMEs meet infrastructure expenditures for these difficult sites would remove a significant barrier for smaller, regional firms.

"By levelling up funding across the regions, the government is paving the way for firms to lead the redevelopment and delivery of new homes in their own areas. An in-depth understanding of the local architecture, population needs, and historical context will ensure that the right sort of homes are delivered in the right places, rather than facilitating blanket coverage of the South East."

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CONSTRUCTION | RESEARCH AND DEVELOPMENT | SUSTAINABLE TECHNOLOGY

The Larkfleet Group of Companies

Larkfleet House

Falcon Way

Bourne

Lincolnshire PE10 0FF

Tel: 01778 391550

E: enquiries@larkfleetgroup.co.uk

www.larkfleetgroup.co.uk