

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 11 July, 2016**

## **Report of the Cabinet Member for Housing, Social Care and Health**

### **Housing Development Programme**

#### **Purpose of the Report**

1. To provide an update on a proposed Council Housing Development Programme further to an earlier report prepared in August 2014 and following the feasibility work undertaken by Cadarn Housing Group throughout 2015/16.
2. To request delegated authority for the appointment of contractors to pursue house building development.

#### **Recommendations**

1. That Cabinet notes the intention of officers to submit planning applications for housing development on housing (HRA) owned land at Holm View and Francis Road as illustrated on the sites plans attached to the report as [Appendix A](#) and [Appendix Aii](#).
2. That delegated authority be given to the Director of Environment and Housing Services in consultation with the Cabinet Member for Housing, Social Care and Health to accept the successful tender associated with the housing development programme and appoint the contractor.
3. That Cabinet agrees to fund preliminary contractor costs, if necessary, associated with preconstruction phased works up to a maximum of £20,000 to allow works to commence at the site known as Francis Road at the end of September 2016, subject to planning permission.
4. That the Head of Legal Services be authorised in consultation with the Director of Environment and Housing Services to execute the associated contracts.

#### **Reasons for the Recommendations**

1. To note the intention to submit the necessary planning applications.
2. To allow the progression of procurement arrangements i.e. appointment of contractors, whilst the planning process is being progressed in order that works can commence on Francis Road at the end of September 2016.

3. To allow the progression of procurement arrangements i.e. appointment of contractors, whilst the planning process is being progressed in order that works can commence on Francis Road at the end of September 2016.
4. To provide authority to enter into associated contracts.

## **Background**

3. The Council is seeking to expand its housing stock and satisfy local housing need through the commissioning of new properties as a new development initiative. The principle of developing new homes was established by the Council following a Cabinet Report in 2014(Cabinet Minute C2439) and sites across the Vale were considered for development. Cadarn Housing Group (of which Newydd Housing Association is a subsidiary) was selected and appointed as agents to undertake development feasibility studies and appraisals to assist the Council in determining which sites to progress. A major focus of the initial development works has focused in part on alleviating housing need in terms of families with adults and children with disabilities. The Housing Solutions & Supporting People Team has submitted and obtained an Exception to Contract Standing Orders to appoint Cadarn Housing Group as development agents and also to seek approval to appoint a design team to undertake scoping works on the sites, and to progress the schemes to a detailed planning application. An outline budget of approximately £135,000 plus 5% development fee for Cadarn Group was approved
4. Initial feasibility studies have been undertaken on a number of sites throughout 2015/16 to ascertain the viability of the sites e.g. ground conditions and topography, ecology, access.
5. Following analysis of the feasibility studies it was identified that developments on land near Holm View and Francis Road (in Barry) should be progressed, due to the fact that these are logistically the most suitable sites to be developed with minimal potential issues to overcome.
6. To date, approximately £30,000 has been spent on feasibility work, however, with the imminent submission of the planning applications this is set to rise to approximately £70,000. This then leaves an approximate underspend of £65,000. From this underspend, it is proposed to ring fence a maximum of £20,000 to fund preliminary contractor costs associated with preconstruction phased works.

## **Relevant Issues and Options**

7. Consultation is on-going with officers from Occupational Therapy Services, Housing Management, Highways and Planning to agree detailed development mix proposals to meet priority housing needs in line with the Council's approved Housing Market Assessment.
8. Holm View and Cook/Francis Road are progressing well and it is estimated that these detailed planning applications will be submitted in the near future.
9. A local information event has taken place on the 9th June in the Holm View Community Enterprise Centre ahead of the submission of relevant planning applications as per planning guidance requires. .
10. The need to provide additional affordable homes is a high priority for the Council, therefore it is imperative that the works start as a matter of urgency as a number of families have been waiting for a considerable time for an appropriate home.

11. Using critical path analysis, to complete the Francis Road site in this financial year would need a commencement date towards the end of September 2016.
12. On the recommendation of the appointed cost consultant, the two sites will be tendered separately due to the varying nature of the schemes and the different time constraints.
13. Both schemes will be procured as a JCT Design and Build contract which ensures cost certainty to the Council and transfers risk to the appointed Contractor.
14. Detailed pre-application consultation has taken place within the Council and comments incorporated within the schemes reducing the risk of time delays as part of the planning process.
15. It is anticipated that the Francis Road application will be determined under delegated authority (subject to local objections). This determination time is estimated to be six weeks. Should this happen, then the need to fund preliminary Contractors costs would be deemed unnecessary.
16. A maximum budget of £20,000 is recommended to fund preliminary contractors costs. Any letter of intent would need to protect the Council legally to avoid further financial exposure.

### **Resource Implications (Financial and Employment)**

17. Three million pounds has been budgeted for the construction of new build council homes in 2016/17. Any underspend would be used to offset capital expenditure on major works in 2016/17 and the 2017/18 budget figure remodelled.
18. A maximum budget of £20k has been identified to allow the issue of a letter of intent, as part of the JCT contract, to underwrite the costs of the contractor for the Francis Road site during the pre-contract phase of the development. The capital costs of developing the aforementioned sites have been ring fenced within the Council's approved Housing Business Plan.

### **Sustainability and Climate Change Implications**

19. The schemes will meet Welsh Government Design Quality Requirements as a benchmark standard. All properties will meet Code for Sustainable Homes Level 3+ helping to make the homes affordable to run and addressing fuel poverty.
20. No renewable technologies are currently proposed.

### **Legal Implications (to Include Human Rights Implications)**

21. The Development Manager will continue to liaise with the Council's Legal team on all legal matters concerning the project and it will be necessary for appropriate forms of contract to be executed.

### **Crime and Disorder Implications**

22. The schemes will meet Secure by Design, a standard part of the Welsh Government Design Quality Requirements, which ensures that the design and layout and technical specification reduces crime.

### **Equal Opportunities Implications (to include Welsh Language issues)**

23. There will be training opportunities offered as part of the build contract through targeted training and recruitment (as part of the First Job Opportunities Programme).

In addition, using the Value Wales Toolkit, local supply chains and investment can be monitored.

### **Corporate/Service Objectives**

24. An inclusive and Safe Vale:

Objective 2: Providing decent homes and safe communities.

Action: Increase the number of sustainable, affordable homes. (2019/20)

### **Policy Framework and Budget**

25. This report is a matter for Executive decision.

### **Consultation (including Ward Member Consultation)**

26. Ward Member consultation for the 2 proposed developments has been undertaken ahead of a local information event with the local community. This is currently being organised.

### **Relevant Scrutiny Committee**

27. Homes and Safe Communities.

### **Background Papers**

Cadarn site feasibility reports.

### **Contact Officer**

Helen Galsworthy - Development Manager

### **Officers Consulted**

Mike Walsh - Principal Lawyer

Pam Toms - Housing Solutions and Supporting People Team Leader

Ian Robinson - Principal Planner

Dave Knevett - Operational Manager Leisure

### **Responsible Officer:**

Miles Punter - Director of Environment and Housing Services