

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 04 November 2019</b>
Relevant Scrutiny Committee:	<b>Homes and Safe Communities</b>
Report Title:	Housing Development Strategy, Housing Development Policy and Housing Development Procedures
Purpose of Report:	To present the Housing Development Strategy, the underpinning Housing Development Policy and the operational Housing Development Procedures for approval.
Report Owner:	Cabinet Member for Housing and Building Services
Responsible Officer:	Miles Punter – Director of Environment and Housing Services
Elected Member and Officer Consultation:	<p>Mike Ingram – Head of Housing and Building Services</p> <p>Andrew Treweek - Operational Manager – Building Services</p> <p>Richard Stopgate – Development and Investment Manager</p> <p>Others consulted as part of the Housing Development Strategic Project Board include:</p> <p>Rob Thomas – Managing Director</p> <p>Miles Punter - Director of Environment and Housing Services</p>
Policy Framework:	This report is a matter for Executive decision.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Housing Development Strategy 2019-24 sets out the Council’s vision and objectives for the delivery of new-build Council homes and the approach the Council will take to ensure new Council homes contribute to successful communities and growth in the local economy, whilst maintaining the financial health of the Housing Business Plan.</li> <li>• The Housing Development Policy supports the Housing Development Strategy and provides a clear statement on how the Council intends to successfully realise the Strategy’s four objectives.</li> <li>• To provide operational and project management due diligence to the above, the Housing Development Procedures have been developed to ensure the successful delivery of the Council’s development programme, whilst demonstrating strong value for money and risk management principles.</li> </ul>	

## **Recommendations**

1. That Cabinet adopts the Housing Development Strategy 2019-24, Housing Development Policy and Housing Development Procedures.

## **Reasons for Recommendations**

1. To formally adopt the final Strategy following appropriate scrutiny and consideration by the Homes and Safe Communities Scrutiny Committee.

## **1. Background**

- 1.1 Welsh Government has made a clear commitment to deliver 20,000 affordable homes during this term of Government.
- 1.2 In response, the Council has sought 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 meeting on 11 August 2014 (C2439) and sites across the Vale of Glamorgan were considered for development.
- 1.3 So far the Council has successfully delivered 3no. fully adapted bungalows as a pilot programme, to test the principles of local authority new development.
- 1.4 The Council has further procured and is managing the on-site delivery of an additional 39no. units of new social housing at two sites in Barry.
- 1.5 The Council also has potentially a further 251 no. units of social housing at various stages of design, feasibility and approval, from Penarth to Llantwit Major, which are being considered for development by 2024.
- 1.6 The Homes and Safe Communities committee considered the draft Strategy, Policy and Procedures on the 18<sup>th</sup> September and noted all documents without amendment.

## **2. Key Issues for Consideration**

- 2.1 Such an ambitious development programme now requires a distinct strategic direction to ensure that it keeps pace with and is always aligned to the Council's corporate aims and objectives.
- 2.2 The Housing Development Strategy 2019-24 (Appendix A) has in itself four strategic objectives:

- Objective 1 - Develop a lasting and positive legacy of distinctive and well thought of homes.
- Objective 2 - Build homes which contribute to successful communities and growth in the local economy for present and future generations.
- Objective 3 - Embark on an ambitious programme of development underpinned by strong risk management and financial viability principles.
- Objective 4 - Take a planned approach to development opportunities which provide value for money while maximising supply.

**2.3** Taking each of the Housing Development Strategy's objectives in turn:

- Objective 1 will commit the Council to developing quality well designed, energy effect homes that meet the needs of communities in which they located.
- Objective 2 will commit the Council to developing new homes in consultation with its current and future tenants, maximising the opportunities for the local economy.
- Objective 3 will commit the Council to developing new homes that do not adversely affect the Council's financial health, whilst at the same time adopting strong risk management and value for money principles.
- Objective 4 will commit the Council to being more innovative in the way it considers development opportunities, encouraging partnership working with both the public and private sectors.

**2.4** The Housing Development Policy (Appendix B) will support the aims and objectives of the Housing Development Strategy and covers all aspects of the Council's development service, from the identification of potential sites to the handover of properties from the contractor.

**2.5** The Policy also considers the way in which the Council address issues such as scheme viability, risk management, governance, design standards, performance and quality monitoring.

**2.6** The Housing Development Procedures (Appendix C) are a detailed and robust operational guide to development project management, which will enable to the Council to successfully deliver multiple new build schemes in accordance with Corporate Financial, Procurement and Governance procedures.

**2.7** The Procedures will also provide a detailed audit trail of key documents and decisions relating to each development scheme.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** Looking to the long term - The Housing Business Plan allocates significant resource, some £236 million, towards the development of new Council homes over the next thirty years. The Council plans to complete a minimum of 164 new Council homes by 2022. Further homes will be considered for development where development could be made viable by including other tenure models to cross-subsidise the development of homes at social rent. In this way the Council could further add to the overall numbers of affordable homes in the County without adversely impacting on the Housing Business Plan.
- 3.2** Taking an integrated approach - In April 2018, Welsh Government announced an independent review of affordable housing supply in Wales. The purpose of which was to examine whether more can be done to increase the supply of affordable housing in Wales, maximising the resources available in order to meet the clear commitment to deliver 20,000 affordable homes during this term of Government. The Council is committed to working with Welsh Government, its housing partners, communities and the private sector in maximising the delivery of affordable housing in the Vale.
- 3.3** Involving the population in decisions - In arriving at a decision to provide new affordable housing, the Council will fully consult with its tenants and residents on development proposals and consider their responses, from the feasibility stage through to the determination of the planning application and when the scheme is being delivered.
- 3.4** Working in a collaborative way- The Council has strong established links with a number of Housing Associations which make a significant contribution to housing supply in the Vale. It is important this continues and it is not the Council's intention to compete with Housing Associations. Therefore, the Council intends to work alongside our partners and envisages a complimentary approach to the delivery of affordable homes.
- 3.5** Understanding the root causes of issues and preventing them - The 2017 Local Housing Market Assessment (LMHA) highlighted the chronic shortage of affordable housing in the Vale of Glamorgan. In assessing the housing market as a whole, the LMHA calculates the net need for affordable housing, including social rented housing, intermediate rented housing and low cost home ownership housing products, over the coming years. This assessment projects the headline annual need for affordable housing in the Vale of Glamorgan to be 576 units per annum between the years 2017 to 2022. The LMHA identified an overwhelming need for all types and tenures of affordable housing in the Vale. The Council has recognised this and is acting to invest significantly in new council homes and enable housing association development.
- 3.6** This proposal will meet:

Well-being Outcome 1: An inclusive and safe Vale  
Objective 2: Providing decent homes and safe communities  
Action: Increase the number of sustainable, affordable homes. (2019/20)

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** The Housing Development Strategy will be supported by the Housing Business Plan and will provide the strategic direction for the future investment needs of the Council's new build development programme.

### **Employment**

- 4.2** There are no direct employment implications arising from this report.

### **Legal (Including Equalities)**

- 4.3** There are no direct legal implications arising from this report.
- 4.4** Tenant Engagement will take into account the needs of tenants from a variety of backgrounds as well as people with protected characteristics.

## **5. Background Papers**

None.

**VALE OF GLAMORGAN COUNCIL**



# **Housing Development Strategy 2019-2024**

**Directorate of Environment and Housing**

April 2019 Version 1.3  
Review date: April 2020

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## **Forward by the Leader of the Council and Cabinet Member for Housing and Building Services**

With the achievement of the Welsh Housing Quality Standard requirements, the Council is set to enter the maintenance phase of the standard and with the completion of this major programme of investment, the Council's Housing and Building Service will focus on the improvements to local neighbourhoods and identify regeneration opportunity to some of the estates within the Vale of Glamorgan.

Housing plays a key role in the foundation of a healthy society and it is essential to ensure appropriate levels of housing are available to support the social and economic fabric of individual communities. Social housing across Britain is currently experiencing a transformation in demand as private ownership becomes increasingly more difficult and private landlords become wary of letting homes to those on Universal Credit. Increasing the business of providing housing for disadvantaged families and individuals will fall to Councils and Housing associations.

Over the years through; right to buy and the economic disadvantages of replacing Council property, The Council's housing stock has steadily been depleted. However, with changes to the housing subsidy system and an increased focus by Parliament and Welsh Government to build more housing has provided the opportunity to build Council Homes again.

The Council will continue to support an approach which seeks to address housing need in all its forms, since the Vale of Glamorgan Council cannot solve the Housing crisis on its own. The Council will build on existing relationships and develop new ones which promote a collaborative approach to finding the best solution to provision of new affordable housing in the Vale of Glamorgan. The potential for Council's to recommence house building, provide some interesting challenges whilst offering excellent opportunity for the Council to create stronger and more cohesive communities fit for future generations.

**Leader of the Council**

**Cabinet Member for Housing and Building Services.**



## APPENDIX A

### 1. Introduction

1.1 Our vision is to:

*“Make a direct contribution to meeting the demand and need for affordable homes within the Vale.”*

1.2 As a stock-retaining Local Authority, the Vale of Glamorgan Council owns around 4,000 homes and we take pride in our strong landlord management service. Alongside plans to invest in our existing homes, this strategy; “Building for the Future”, sets out the Council’s long-term investment plans for new-build development.

1.3 The Vale of Glamorgan Council is very proud of our position as a local landlord and takes the responsibility as a local provider of affordable homes very seriously. We are committed to a successful building programme and seek to provide a legacy of homes that are attractive, useable, durable, and which contribute to local communities and the environment for both present and future generations.

1.4 The eleven remaining Welsh Local Housing Authorities exited the HRAS (Housing Revenue Account Subsidy) System on 2<sup>nd</sup> April 2015 following an agreement reached between The Welsh Government (WG) and HM Treasury. The agreement saw Welsh Local Housing Authorities drawing down loans from the Public Works Loan Board of £919.5 million in order to ‘buy themselves out’ of the current Subsidy system.

1.5 In terms of the Vale of Glamorgan, some £5 million per annum of rental income previously paid by the Council to WG has been replaced with loan and interest payments totalling around £3.8 million per annum on a settlement figure of approximately £63.2 million.

1.6 HM Treasury requires a housing related borrowing cap (Limit on Indebtedness) in order to control public sector borrowing. Failure to comply with this will result in sanctions by Treasury. This means the Welsh Budget will be reduced and the reduction passed on to each local housing authority as appropriate. At the time of writing, WG in line with the Autumn Treasury statement are minded to remove the Debt Cap from Local Authorities to provide increased opportunity for new Council house building.

1.7 The savings generated from exiting the HRAS has led to significant sums being available for future spending and allows the Council to continue building new social housing, and support wider regeneration projects to the Council’s housing estates.

1.8 The Housing Business Plan is our 30-year plan and sets out the investment requirements for the housing stock and the finances available to commit to our new-build programme. This is the first time the Council has built new homes in over 25 years.

1.9 This strategy sets out our vision and objectives for the delivery of new-build Council homes and the approach we will take to ensure new Council homes contribute to successful communities and growth in the local economy.

1.10 This new strategy has an important role to play in taking forward two of the strategic objectives from the Local Housing Strategy 2015 - 2020:

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- i. To provide more homes and more choice; ensuring all residents have access to suitable and affordable accommodation.
- ii. To improve homes and communities; by ensuring housing is maintained and fit for purpose, increasing the supply of good quality, energy efficient home in vibrant and sustainable communities.

### Strategic objectives

1.11 The Council will:

*Develop a lasting and positive legacy of distinctive and well thought of homes.*

*Build homes which contribute to successful communities and growth in the local economy for present and future generations.*

*Embark on an ambitious programme of development underpinned by strong risk management and financial viability principles.*

*Take a planned approach to development opportunities which provide value for money while maximising supply.*

## 2. National and Local Context

- 2.1 In April 2018, Housing and Regeneration Minister, Rebecca Evans, announced an independent review of affordable housing supply in Wales.
- 2.2 The purpose of this review is to examine whether more can be done to increase the supply of affordable housing in Wales, maximising the resources available in order to meet the clear commitment to deliver 20,000 affordable homes during this term of Government.
- 2.3 In 2016-17, local authorities reported 2,547 additional affordable housing units had been delivered across Wales, an increase of 6 per cent on the previous year. Welsh Registered Social Landlords (RSLs) continued to make the largest contribution to additional affordable housing in Wales, delivering 93 per cent of all additional affordable housing provision during 2016-17 (2,378 units).

### Housing need

- 2.4 The 2017 Local Housing Market Assessment (LMHA) highlighted the chronic shortage of affordable housing in the Vale of Glamorgan.
- 2.5 In assessing the housing market as a whole, the LHMA calculates the net need for affordable housing, including social rented housing, intermediate rented housing and low cost home ownership housing products, over the coming years.
- 2.6 This assessment projects the headline annual need for affordable housing in the Vale of Glamorgan to be 576 units per annum between the years 2017 to 2022. The assessment finds the housing need should comprise:
  - 479 units of social rented accommodation
  - 97 units of intermediate rented housing

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- The committed supply of low cost home ownership (LCHO) housing is currently sufficient to meet the need in this tenure for the next five years. However, as has often been found the need for LCHO housing often remains unidentified until such time as a new development starts on site when the hidden demand becomes evident.

2.7 The LMHA identified an overwhelming need for all types and tenures of affordable housing in the Vale. The Council has recognised this and is acting to invest significantly in new council homes and enable housing association development.

### **House building**

2.8 The national house building industry was heavily affected by the 2008 global credit crunch, which saw greater checks on affordability in the mortgage lending sector, this inhibited mortgage lending and suppressed demand on new house building. A slow recovery out of recession and economic austerity has limited the sector's ability to respond.

2.9 The number of new homes completed in Wales has declined from 9,334 homes per annum in 2007 to 6,663 new homes completed in 2017/18. Welsh house building needs to increase to meet the needs of a growing and ageing population.

2.10 There are signs that with self-financing, local authorities have started to build more homes, with the number of completed new homes by local authorities increasing from 0 in 2016/17 to 81 in 2017/18, and 30 completions already in the first quarter of the 18/19 financial year.

### **Right to Buy**

2.11 The 'Right to Buy' and 'Right to Acquire' will end for all Council and Housing Association tenants on 26 January 2019 and will deprive the Council of future capital receipts which are used to develop new affordable homes.

2.12 The Vale of Glamorgan Council received 29 Right to Buy applications in 2017/18 and 6 transactions were completed, generating £778,000 of receipts. 'Right to Buy' receipts provided significant one-off sources of funding, additional to the rental surplus-income calculated in the Housing Business Plan.

### **Local authority new-build**

2.13 New funding from self-financing, available to stock-retaining local authorities, has allowed Councils to plan much needed investment in existing stock, and to start their own development programmes to build new council housing for the first time in over 25 years.

2.14 The Vale of Glamorgan Council is currently ahead of many other local authorities with its current development programme which will see 52 Council homes delivered on or before March 2020.

### **HRA Borrowing cap**

2.15 As part of the HRAS reforms, Welsh Government imposed a borrowing cap for the HRA. The Council's HRA borrowing cap is currently set at £103.7 million in line with the initial self-financing settlement with the Treasury.

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- 2.16 Welsh Government is currently minded to remove the HRA Borrowing Cap, which will enable Local Authorities to use Prudential Borrowing rules to determine new build capacity. The Council is currently exploring options to significantly increase its development programme to take advantage of the additional borrowing capacity.

### **Welsh Government Grant Funding**

- 2.17 The Welsh Government (WG) provide grant funding to stock retaining local authorities in the form of Affordable Housing Grant (AHG), to deliver new affordable homes. The Council was successful in obtaining £2.557 million of AHG from 2018, which will subsidise the development of 39 new general needs and adapted homes.
- 2.18 The Council maintains a productive relationship with Welsh Government and is committed to working with them to deliver affordable homes, with or without grant funding.

## **3. The Objectives**

- 3.1 The Vale of Glamorgan's Housing and Building Services team are committed to building new homes for residents in the Borough. Underpinning this commitment to build new Council Homes are four objectives:
- Develop a lasting and positive legacy of distinctive and well-designed homes
  - Build homes that contribute to successful communities and growth in the local economy
  - To embark on an ambitious programme of development underpinned by strong risk management, resourcing and procurement principles
  - Take a planned approach to development opportunities which provides value for money while maximising supply

### **KEY OBJECTIVE 1**

*Develop a lasting and positive legacy of distinctive and well-designed homes*

To meet Key Objective 1 this strategy commits to:

#### **Working in partnership with a consultative forum of tenants and leaseholders to set standards**

- 3.2 The Council recognises the very important role of its existing tenants and their contribution to setting the standards for future homes.
- 3.3 This strategy commits to setting up a forum to consider future new build design standards and how they will be applied on a site-by-site basis.

#### **Being ambitious in meeting standards in energy efficiency**

- 3.4 The Council recognises fuel poverty and rising energy prices affect the affordability of running a household. New homes will be built to the highest affordable energy efficient standards in order to mitigate the likely rises in energy prices over the lifetime of new homes.

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- 3.5 The Council will prioritise design solutions which incorporate new energy efficient technology to minimise heat loss and provide efficient heat and light systems in all our new developments.
- 3.6 Carbon reduction is becoming increasingly important in the design of new buildings to reduce the impact on the planet. Currently, the Council seeks to achieve a 10% increase above standard building regulations for energy performance of new buildings and will work towards achieving the best possible balance between cost and energy performance. Passive energy efficiency technologies will be integrated in design to reduce energy usage.

### **Ensuring high quality design and durability standards are met**

- 3.7 The Council commits to meeting the Welsh Governments minimum 'Design and Quality Standards', exceeding this standard where possible within the finances available on a site-by-site basis.
- 3.8 Each scheme will meet the standards set out in our Employers Requirements to ensure we minimise on-going life-cycle costs through the use of new technology and quality materials.

### **Developing homes which meet the needs of households**

- 3.9 The availability and price of land in the Vale of Glamorgan means the development of apartments is the most efficient and financially viable form of development. This form of housing will also meet the needs of the Borough's ageing population looking for attractive downsizing options, which in turn releases existing larger family homes for those with such need.
- 3.10 This strategy has regard to the "Older Person's Housing and Accommodation, including Care and Care Ready" proposals currently being considered by the Council and as such, commits to increase the supply of older persons accommodation by including at least two units on each development of over ten new homes and more, if economically viable.
- 3.11 The Council commits to the delivering at least one wheelchair adapted property on developments of over ten new homes and more where economically viable.
- 3.12 The Council commits to developing all of new general needs homes at ground floor level to a standard which can be converted to fully wheelchair accessible accommodation.

### **Being sensitive to local context**

- 3.13 Property in the Vale of Glamorgan is varied in its character. New homes should embody a sense of place which is derived from local context and in terms of layout, scale, form, and materials.
- 3.14 New developments will be designed to create safe, attractive, accessible environments and where appropriate they should look for opportunities to enhance the public realm.

## **KEY OBJECTIVE 2**

*Build homes that contribute to successful communities and growth in the local economy*

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To meet Key Objective 2 this strategy commits to:

### **Communication and tenant involvement**

- 3.15 The majority of the projects being considered will be close to existing housing stock both privately owned and owned by the Council. The Council is very aware that building more homes will bring changes but if done in a sensitive way and to a high standard, there is no reason why this should be unacceptable.
- 3.16 Where our tenants are directly affected we will discuss proposals early in the process, outline their housing options and support them in making a choice. We will also signpost them to independent advice and provide written guidance for them which sets out statement of principles.
- 3.17 The Housing and Building Services Team, aim will be to support households to stay within their community if they wish. Therefore, where it becomes necessary to decant or relocate households, they will be given priority to move, either permanently or temporarily, to suitable housing in an area of their choice. In many cases where practical, they will be offered the opportunity of returning to one of the new properties. In most cases tenants who have to move as part of a new development, will be entitled to compensation.
- 3.18 Where garages and parking bays are to be removed, we will talk to those affected and where possible offer an alternative vacant garage nearby. Where sites are large enough we may seek to provide additional residents' parking spaces where necessary.

### **Making meaningful use of customer feedback**

- 3.18 The Council will develop a standard post-occupancy satisfaction survey and benchmark this data appropriately.
- 3.20 Residents of the new homes will have the opportunity to provide feedback after living in homes for 12 months. This will enable the Council to consider any improvements necessary and include them in subsequent projects.

### **Sensitive lettings that give priority to local connection**

- 3.21 New lettings will be open to those registered on the Council's housing register and will be advertised through Homes4U at:

<http://www.valeofglamorgan.gov.uk/en/living/Housing/Homes4u>

- 3.22 The Council may also develop a local lettings plan to make sure that allocations to new build properties create balanced and sustainable communities.

### **Equality and diversity**

- 3.23 The Council has real experience and commitment to equality, diversity and community cohesion. We will work closely with local stakeholders and local partners to identify key priorities locally and ensure the new homes we develop meet the needs and aspirations of the diverse communities in which we work.
- 3.24 The Council will actively encourage contractors to support local SME's and support training opportunities in line with the Welsh Governments 'Value Wales' toolkit.

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### KEY OBJECTIVE 3

*To embark on an ambitious programme of development underpinned by strong risk management, resourcing and procurement principles.*

3.25 To meet Key Objective 3 this strategy commits to:

#### **Rigorous business planning**

3.26 The core funding to support this new build strategy will come from the Housing Business Plan. A total of £22.791 million has been budgeted for new development over the period of this strategy (2019/20 to 2024/25).

3.27 There are a numerous priorities within the Housing Business Plan, which have been set and agreed with tenants, and which include investment in the existing housing stock.

3.28 Should the assumptions within the Housing Business Plan have to be in any way altered, the Council will need to ensure all priorities within the Housing Business Plan are considered proportionately.

3.29 There is a clear distinction to be made between financial viability and the impact on the Housing Business Plan.

3.30 To ensure that the Housing Business Plan can continue to fund the development of new build Council housing, it is important each scheme is properly assessed for viability and its contribution to the business. This provides a value for money assessment in some instances which are greater than pure return on investment.

3.31 It is not necessary to pre-determine for each scheme to meet particular criteria. However, it is necessary to ensure the impact of each scheme on the business plan is calculated and properly understood and the cumulative effect of the programme is affordable in the context of the wider Housing Business Plan. The Housing Business Plan is also restricted in the sums it can borrow by the HRA debt cap.

#### **Full benefits and risk assessment for each scheme**

3.32 The Council's Cabinet will take decisions necessary to implement the new build development programme. Cabinet will review the development programme on an annual basis.

3.33 Cabinet will approve the development appraisal parameters and business plan assumptions annually for the development programme and devolve responsibility to the Housing Development Strategic Project Board and the Development team, to project manage the delivery process.

3.34 Each project will need to be assessed to ensure:

- It meets the aims of this Development Strategy, and
- The benefits and risks of the scheme are fully assessed.

3.35 It will rarely be possible to fully eliminate risk; although it can be assessed and managed. At a high level, the risk management of developments will be carried out by ensuring the proposals have a strategic fit with this Development Strategy.

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- 3.36 The Council's corporate risk management processes will be used to mitigate detailed risk and ensure projects are progressed in a logical sequence to ensure the Council is not exposed to unnecessary risk.

### **Adopting strong principles of value for money**

- 3.37 While maintaining the high quality and design standards the Council is committed to delivering, the new build programme will aim to minimise the net cost of new developments.
- 3.38 As the Council progresses with its development programme it will continue to add to and strengthen its internal skills and knowledge base. Investing in and developing the in-house Development Team will provide the Council with officers capable of managing large-scale projects, while achieving value for money.

### **Giving high importance to procurement and legal procedures**

- 3.39 The Council will ensure all procurement for services and contracts is conducted in accordance with the contract and financial procedure rules contained in its constitution, and with European Union procurement regulations under the Public Contracts Regulations.
- 3.40 It is important companies employed by the Council, either directly, or indirectly (e.g. through lead consultants), to comply with the Council's policies on data protection, modern slavery, equality and diversity policies.
- 3.41 The Council has developed a robust Schedule of Amendments for use with Joint Contract Tribunal (JCT) Design and Build contracts (2016 edition), with input from Hugh James Solicitors. These will be used across all projects where appropriate.
- 3.42 The Council's approach to procurement will be kept under review and amended as necessary to comply with future changes in procurement.

### **Exploring innovative ways of funding new developments**

- 3.43 In addition to the planned investment from the Housing Business Plan; income in the form of grant subsidy; residual Right to Buy receipts and S106 Affordable Housing off-site contributions, the Council is committed to seeking other appropriate funding opportunities, within a risk management framework, to support the Council's development programme .
- 3.44 This could be, for example, leasing surplus Council-owned land, or funding through cross-subsidy by building for sale, or other models of affordable housing including shared ownership. Other opportunities through joint venture approaches may present themselves over the lifespan of this strategy and will be explored where they support the Council's development programme.
- 3.45 Seeking opportunities for additional funding is considered as sound commercial activity to ensure the financial health the Council's ambitions within the Housing Business Plan, in the event any of the assumptions in the Business Plan have to be amended due to external factors, for example 'rent-setting by Welsh Government'. Such activity will be carefully monitored and where additional development opportunities may be explored, these will be considered on a site-by-site basis.



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### KEY OBJECTIVE 4

*Take a planned approach to development opportunities which provides value for money while maximising supply*

To meet Key Objective 4 this strategy commits to:

#### **Being forward looking in obtaining planning permissions**

- 3.46 The Development Team is proud of the close working relationship with both its planning and building control partners. These partnerships are considered essential to the future success of this strategy.
- 3.47 In order to build new homes the Council must first obtain planning permission in the same way as any other developer. Obtaining planning permission requires site investigation, community consultation, design work and cost appraisal. The Development Team will do this.
- 3.48 To be successful in achieving targets for delivery, the Council will maintain a phased plan of realistic development opportunities which will be actively pursued.
- 3.49 The Council will identify a pipeline of sites looking forward a minimum of three years. This will include undertaking strategic reviews of areas where there are significant Council land holdings as well as the acquisition of additional land on the open market.
- 3.50 The 'Rural Exception Site Policy' supports the development of affordable housing in rural areas where there is evidence of housing need. There continues to be a need for sensitive affordable development to keep our rural communities vibrant and sustainable. This strategy commits to providing new homes in rural communities.

#### **Taking a pro-active approach to acquiring land**

- 3.51 The Council will maximise opportunities to make use of land which is already held for housing purposes. To allow the Council to meet its targets for delivery, it will also be important to explore the potential of acquiring other land.
- 3.52 The Council will also acquire land on the open market or by negotiation, in order to ensure homes can be provided where they are needed, accepting this will be within the limits of the distribution of available development opportunities.

#### **Working in partnership**

- 3.53 The Council has strong established links with a number of Housing Associations which make a significant contribution to housing supply in the Vale. It is important this continues and it is not the Council's intention to compete with Housing Associations. Therefore, the Council intends to work alongside our partners and envisages a complimentary approach to the delivery of affordable homes.
- 3.54 Housing associations will continue to provide a vital role in delivering the affordable homes through S106 planning obligations and other opportunities brought to, and identified by them, such as Package Deals. In addition, they will supply intermediate tenure schemes, such as shared ownership, low cost homes ownership and in some cases market properties where this supports other affordable housing provision.

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- 3.55 Where a developer has an obligation to provide affordable homes under a S106 planning obligation, the Council will always encourage them to work with a Housing Association in the first instance.
- 3.56 The Council is concerned about the impact of the lack of affordable housing on the health of rural communities, and has started a new initiative in partnership with the Welsh Government. The rural Vale has lost 76% of its Council housing. Rural housing problems are often unrecognised because people living in rural areas are used to finding their own solutions, so rural need is often hidden or shifted outside the area. The Council is part of the Welsh Government's Rural Housing project and in partnership with the local RSL's, has employed a full time Rural Housing Enabler (RHE), who works proactively to identify housing need in rural areas and engage with communities to develop housing solutions designed specifically with rural communities in mind.
- 3.57 The Council will pursue opportunities to acquire surplus public land as a priority from other public bodies such as Welsh Government; the National Health Service; the Police, Fire and Ambulance Services; Ministry of Defence; etc.

### **Ensuring site-appropriate tenure mix**

- 3.58 The Council is committed to developing new affordable homes at social rent as the main priority. The high number of households on the housing register highlights the high demand for this tenure.
- 3.59 Intermediate rent, low cost home ownership and shared ownership will in some cases make developments more financially viable and meet the varying housing need in the Vale. Therefore, these tenures will be considered on a site-by-site basis.
- 3.60 Market rent, shared equity and private sale may be appropriate on larger sites where the inclusion of some of these units may be needed to make a scheme financially viable.

## **4. Standards for the Vale of Glamorgan Council Homes**

### **Energy and sustainability**

- 4.1 Welsh Government has recently commissioned an independent review into the supply of affordable housing in Wales, part of which will consider the implications of moving to deliver 80% in carbon savings in the production of new homes by 2050, including the role of off-site manufacture and modern methods of construction.
- 4.2 The Council is committed to meeting and exceeding (where financially viable), the minimum energy and efficiency standards for affordable housing. This commitment will be kept throughout the lifespan of this strategy, irrespective of any design standard changes proposed by WG.
- 4.3 The Council is committed to meeting energy and sustainability standards by adopting a "Fabric First" approach. This approach focuses on the thermal efficiency of the building fabric, by providing a highly insulated timber frame and 'A rated' glazing. This

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approach reduces the amount of energy required to run a home, and therefore provides households with security against future energy price rises and fuel poverty.

- 4.4 Renewable energy will be incorporated into future developments, including rainwater harvesting, photovoltaic and solar thermal technology where appropriate. The requirement for renewables will be lower on the Council's developments, as the insulated building fabric of new homes will require less energy (including renewables) to run. Whilst renewables provide energy for minimal cost, they do require on-going maintenance which can be expensive.

### Space and safety

- 4.5 The Welsh Government's Development Quality Requirements (DQR) and Lifetime Homes (LTH) are the current recognised size standards for new affordable homes. DQR includes measures that ensure the average household's standard size furniture can fit into new homes. The Council will maintain or exceed the minimum DQR standards across all of its future development schemes.
- 4.6 In order to develop new homes that are safe and secure, the Council will consult with South Wales Police and the South Wales Fire Service, throughout the duration of the development. This will ensure that completed homes meet the requirements of the Building Regulations and the Police Service's Secure by Design standards.

### Design

- 4.7 New homes built by the Council will be of good design. Early consultation with the Council's Planning Policy, Highways and Drainage teams is key to ensuring that proposals meet the Planning department's high standards. New homes will be designed to complement and enhance their immediate surroundings.
- 4.8 New developments will be designed to create safe, attractive, accessible environments. Where appropriate they should look for opportunities to enhance the public realm taking in to account local and national strategic future aspirations.

### Quality

- 4.9 Each development contract is accompanied by a robust set of Employers Requirements, which are developed specifically for each development site by the Council's appointed Employers Agent. These requirements set the quality expected and required by the Council on its new developments.
- 4.10 The Development Team will employ a Clerk of Works to control and monitor the quality of on-going construction work. The Clerk of Work will attend the Council's sites regularly to ensure that any potential problems are identified and resolved quickly.
- 4.11 All new homes will include fitted kitchens (excluding appliances), bathrooms, and a floor finish that enables a household to move in immediately. The design of these kitchens and bathrooms shall meet and wherever possible, exceed the requirements set in the Welsh Housing Quality Standard.
- 4.12 The Council has created a Design Guide to accompany its Employers Requirements for future development contracts. This will establish standard components and products to be used in new developments and will set out our expectations in terms of quality.

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### 5. Standards in business

#### New business

- 5.1 The Council is working to identify and acquire an active land bank on which it can develop up to 100 additional new homes over the term of this strategy. This strategy commits the Council to maintaining a pipeline of developable sites to accommodate at least 50 new homes annually. This puts the Council in a strong position to bid for any future funding which may be available for the development of new homes.
- 5.2 Land acquisitions will always be accompanied by a 'valuation' or 'statement of good value' prepared by the Councils' Corporate Estates team, to ensure public money is being used to acquire land at best price.
- 5.3 The Council will acquire land from a combination of sources including from its own assets, the private market, through partnership working, joint ventures and potentially via S106 opportunities.

#### Procurement and legal

- 5.4 The Council has a Procurement Standing Orders policy which set out the rules and procedures that the Council will use when purchasing services, supplies and works. High value contracts are required in order to develop new Council homes. These contracts will always be procured in line with the Council's adopted Procurement Standing Orders.
- 5.5 Under EU legislation all contracts from the public sector which are valued above a certain threshold must be published in the Official Journal of the European Union (OJEU, formerly the OJEC). The legislation covers organisations and projects which receive public money.' As a current member of the European Union, the United Kingdom is bound by these regulations. Should European Procurement rules change in the near future the Council will comply with the new legislative requirements and any other UK procurement regulations in force. This currently applies to build contracts that are valued over €5.548 million and service contracts valued over €221,000.
- 5.6 Companies employed by the Council are required to comply with the Council's various corporate policies, including data protection, modern slavery, equality and diversity.
- 5.7 The Council has and will procure specialist legal advice in order to challenge and defend any claims against or from contractors. There is a real risk of legal challenges on construction contracts given the level of variables involved in constructing new homes.

#### Governance

- 5.8 The Council's Cabinet is ultimately responsible for the development programme and will approve the major parts of the programme, principally:
- the decision to acquire and develop on sites,
  - the approval of scheme budgets and
  - the contract award.
- 5.9 The Housing Development Strategic Project Board will take responsibility for the delivery of the development programme. The role of the group is defined in the terms

## APPENDIX A

of reference and will be reviewed annually. The project board will comprise the following members:

- Leader of the Council
- Cabinet Member for Housing and Building Services
- Managing Director of the Council
- Director of Environment and Housing
- The Head of Housing and Building Services
- Development Manager

### **Development Project Management**

- 5.10 The Council follows the Chartered Institute of Building (CIOB) Code of Practice for Project Management for Construction and Development. The templates and methods recommended by the CIOB are employed by the Council in the operation of its development service.
- 5.11 The Council has the Housing Development Procedure Manual which is used in conjunction with the CIOB practices to deliver a high quality development service.

### **Customer Service**

- 5.12 All main contractors working for the Council in the development of new homes will be expected to be signed up to the Considerate Constructors Scheme (CCS). Each development will be benchmarked against national scores, so that experiences can be used to improve the Council's scores in the future.
- 5.13 As part of the CCS, all contractors will be required to have a customer representative to act as a contact point for the general public when reporting any site issues. This will serve to minimise the impact of future development on local people.
- 5.14 The Council will use a standard post-occupancy satisfaction survey and benchmark this data appropriately. Residents of the new homes will have the opportunity to feedback after living in homes for 12 months. This will enable the Council to consider any improvements in subsequent projects.
- 5.15 The Council will employ an in-house Clerk of Works, who in conjunction with the Development Team will undertake a rigorous "snagging" process upon the practical completion of all developments. This will be used to remedy the majority of defects that could arise.
- 5.16 All future developments will be under warranty for a minimum of 10 years via a mainstream insurance provider (NHBC, Zurich, LABC etc.). Defects that arise outside the initial snagging period will be handled via this insurance policy. Contractors will provide the Council with a Parent Company Guarantee and component collateral warranties, which can be used for any major defects that may arise on developments in the future.
- 5.17 Questions regarding defects will be included on the Council's post-occupancy surveys and results will be used to improve the service for residents of future developments (in addition to remedying any defects raised by current residents).

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- 5.18 The Council will work with HouseMark (or similar) to benchmark the overall performance of developments against national scores. This will take account of energy performance and customer satisfaction in addition to other factors.

### **6. Resources**

- 6.1 The Housing Business Plan allocates significant resource, some £236 million, towards the development of new Council homes over the next thirty years. The Council plans to complete a minimum of 164 new Council homes by 2022. Further homes will be considered for development where development could be made viable by including other tenure models to cross-subsidise the development of homes at social rent. In this way the Council could further add to the overall numbers of affordable homes in the borough without adversely impacting on the Housing Business Plan.
- 6.2 The Housing Business Plan contains further detail regarding the availability of capital financial resource to fund the delivery of the homes. This information is not included in this document as it could jeopardise the competitiveness of future contract tenders.

### **7. Forward Development Programme**

- 7.1 The Forward Development Programme will be monitored by the Housing Development Strategic Project Board alongside regular programme update reports to Cabinet. An indicative Forward Development Programme will be reported annually to Cabinet.
- 7.2 The Forward Development Programme will be subject to external funding opportunities and is therefore subject to change. The Annual Housing Business Plan will address the impact on the programme of such external and internal funding changes.

Forward Development Programme (To  
Confirmed)

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VALE OF GLAMORGAN COUNCIL



# Housing Development Policy

Directorate of Environment and Housing

May 2019 Version 1.2  
Review date: May 2020



**DEVELOPMENT POLICY  
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- 4. Design Criteria**
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- 6. Performance Monitoring of Consultants and Contractors**
- 7. Quality Control**
- 8. Risk Management**
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## APPENDIX B

### 1. INTRODUCTION

1.1 This Policy supports the Vale of Glamorgan Council's objectives contained within its Development Strategy 2019 – 2024 to:

- *Embark on an ambitious programme of development underpinned by strong risk management and financial viability principles.*
- *Take a planned approach to development opportunities that provide value for money while maximising supply.*
- *Develop a lasting and positive legacy of distinctive and well thought of homes.*
- *Build homes that contribute to successful communities and growth in the local economy.*

1.2 This policy covers all aspects of the Council's development service, from the identification of potential sites to the handover of properties from the contractor.

1.3 In order to secure development funding, social housing projects must meet the requirements of the Council's Local Housing Strategy and the Development Team will consult fully with the Council's Housing Strategy Team and the Housing Division of the Welsh Government, to ensure it has their support before proceeding with negotiations to acquire a potential site or, development opportunity.

1.4 In the procurement of all its development work, the Council is governed by European Procurement Legislation and guidance from the Welsh Government. At all times the Council will follow the spirit as well as the rule of the relevant legislation.

### 2. SCOPE

2.1 This policy sets out the Council's principles governing the creation of further housing stock. The development process starts with ascertaining and demonstrating the need for affordable housing and ends with all development liabilities and compliances being discharged, including those occurring after people have moved into the properties.

2.2 Development could include, but is not confined to, new build, renovations, purchase of complete properties, stock transfers or leasehold schemes.

### 3. VIABILITY OF POTENTIAL DEVELOPMENT PROJECTS

#### Strategy

3.1 A potential development opportunity may be brought to the Council's attention by a variety of means and the prospective project may be a traditional, package deal or design and build contract.

3.2 Regardless of the proposed procurement method, a full viability and risk assessment of the development will be undertaken prior to making any formal recommendation to Cabinet on whether to proceed with the project.

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- 3.3 The viability assessment will normally be undertaken following confirmation in principle from the Council's Housing Strategy Team of their support for affordable housing on the identified site.
- 3.4 The Council has an obligation to ensure that all development projects it embarks upon are both financially and technically viable and that they will meet the needs of its current and prospective tenants. It is also essential to identify the nature and level of risk attached to any potential project.
- 3.5 The Council's strategy for assessing potential new development opportunities will be formulated in a manner that ensures provision meets demand. It will also aim to develop each individual site with the most appropriate house types and construction methods, in the most cost effective manner.
- 3.6 This viability assessment will be undertaken by the Development Manager and will be checked for affordability by representatives of the Finance Department, before it is included in the Housing Business Plan.

### Assessment Criteria

- 3.7 The following criteria must be examined when considering the viability of a potential development project:
- Demand and housing need
  - Technical viability
  - Community and wider role benefits
  - Financial viability
  - Availability of subsidy
- 3.8 It should be noted that it would not be expected that every development will receive a positive assessment within each category and the final evaluation of the overall viability of the project will be based on a balance of the positive and negative factors.

### Final Assessment

- 3.9 As noted above the final assessment of the proposed project will be based on an evaluation of the viability and perceived risks involved and the measures the Council can take to alleviate any risks. There may also be political or other relevant reasons for taking forward (or, indeed, not taking forward) a development that would override the results of the technical, financial and letting viability assessment and these must also be taken into account.
- 3.10 Following the viability evaluation, the Development Manager will present a report to Housing Development Strategic Project Board with a recommendation on whether or not to proceed with the development.

## 4. DESIGN CRITERIA

- 4.1 All development projects will be designed in accordance with the Councils' Design Guide. This Guide sets down the general design parameters and specification requirements for all of the Council's new build properties and will be regularly reviewed to reflect good practice, changes in legislation and lessons learned from previous projects.

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4.2 In principle, all developments must meet the following criteria:

- Current Welsh Building Regulations
- Development Quality Requirements
- Lifetime Homes
- Secure by Design
- Current best practice
- Be able to maximise environmental efficiency

4.3 Detailed requirements are provided in the Council's Design Guide.

### 5. POLICY STATEMENT

#### The Development Programme

- 5.1 All proposed development schemes will reflect identified housing need and require the approval of the Council's Housing Strategy Team and inclusion in their Programme Delivery Plan (PDP) where Welsh Government Grant subsidy is required.
- 5.2 The tenure of housing will be determined both by the funding used and the prevailing needs of the relevant community.
- 5.3 As a minimum the development programme should cover three financial years and show units developed, the cost to develop and grant and rental income generated.
- 5.4 The development programme must be modelled using Finance Departments' corporate finance model, to ascertain the viability of the development programme and its effect on the Housing Business Plan.
- 5.5 The development programme must be approved annually by the Council's Cabinet. Any development opportunities not featured in the approved programme - for instance those emerging from any new Welsh Government Innovative Housing programme, as a Package Deal or Joint Venture - cannot be taken forward without the consent of the Cabinet.

#### Land Acquisition

- 5.6 Land can only be purchased once a minimum of outline planning consent has been granted on the site. If there is a strong business reason for purchasing land without planning consent, such as when the scheme has been allocated acquisition funding from the Welsh Government under its Land Acquisition programme, the specific agreement of the Cabinet is required.
- 5.7 Any asset purchased by the Council must be subject to an independent valuation. Where the asset is under £300,000 a RICS Valuer can be used, but over £300,000 the District Valuer must be used. Purchases over the valuation price are not permitted.
- 5.8 The Council's Corporate Estates department will negotiate the acquisition of all assets, including land and buildings, in accordance with the Council's Acquisition Protocol.
- 5.9 The Council is permitted to take out options on a site for a specific time and price to guarantee control of the piece of land.

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### Land Banking

- 5.10 The Council will continue to meet housing needs across its area of operation through a programme of housing development. In order to facilitate its development objectives, the Council is permitted to set aside financial resources to purchase land for developments in future years.
- 5.11 In any given year, land bank acquisitions will not exceed the value stated in the approved development programme.
- 5.12 Land bank sites will be in areas where the Council:
- already has properties in management,
  - where there is a recognised need for growth, or,
  - to meet clearly identified need.
- 5.13 The Development Team will ensure that the “safeguards” relating to land acquisition in 3.2 also relate to land banking.

### Building Standards

- 5.14 All properties will be built to a good standard and be efficient to maintain and adapt.
- 5.15 Where Affordable Housing or other grant is used to fund the development, all rules concerning build standards will be adhered to. It is acknowledged that those standards include reference to making properties suitable for people with disabilities.
- 5.16 Exceeding the standards shall only be permitted where it is affordable and a clear benefit for tenants can be demonstrated; for example fuel bill savings or accommodating specific cultural, disability or sensory adaptations.
- 5.17 Where specialist, adapted or supported housing properties are created, the design will be approved by a qualified individual, such as an Occupational Therapist.
- 5.18 Evidence must be kept for audit purposes of how each relevant standard has been complied with.

### Scheme Viability

- 5.19 Viability is a measure of how financially viable a scheme is for the Council and how acceptable it is to the Welsh Government funding. Viability is assessed in two parts - a financial assessment and a business risk appraisal.
- 5.20 Financial appraisals will be undertaken at four key stages:
- Prior to site acquisition (unless agreed as part of the Council’s land banking strategy), or at then feasibility stage;
  - Prior to a procurement exercise;
  - Prior to entering into contract;
  - On production of the final account for the scheme.
- 5.21 For a scheme to proceed, the scheme viability must be approved by the Cabinet who delegate responsibility to the Housing Development Strategic Project Board.

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### Affordable Housing Grant Procedures

- 5.22 Where Affordable Housing or other forms of grant are used, the scheme must adhere to the relevant published Welsh Government procedures and paperwork, which must be signed by an authorised signatory.
- 5.23 Key Performance Areas will include:
- Delivery against the agreed construction programme;
  - Delivery against the agreed development budget;
  - Maximisation of available grant;
  - Tenant /customer satisfaction;
  - Percentage of local employment involved in construction process;
  - Percentage of apprentices employed during construction process.

### Procurement

- 5.24 Tendering will be carried out in accordance with the Council's Financial Regulations and Procurement procedures.
- 5.25 The ideal development procurement route will deliver schemes on time, with quality and on budget, whilst minimising risk for the Council. This is likely to promote procurement routes which involve other parties being responsible for design.
- 5.26 The chosen route must be fair to developers and provide value for money. This will be demonstrated through either a form of tender or a value for money assessment where there is only one developer (e.g. a package deal). With larger contracts compliance with OJEU (Open Journal of the European Union) should be checked.

### Consultants

- 5.27 A 'scope of works' document must be in place for every consultant appointment, to clearly define the responsibilities passed to the consultant. Not only must it list duties but be informative about how those duties should be carried out.
- 5.28 The document must be sufficiently detailed and robust to withstand scrutiny should there be a dispute about the services provided.

### Sustainable Homes & Communities

- 5.29 The Council will make our homes more resilient to rising temperatures, the risk of flooding and built sustainably. This will be achieved by:
- Ensuring our buildings are energy efficient, helping to reduce greenhouse gas emissions and reduce fuel poverty;
  - Using sustainably sourced materials in our homes that can be disposed of safely, without harming the environment;
  - Designing buildings that have regard to potential climate change issues;
  - Ensuring that our buildings perform to the same standard as the design intended;
  - Incorporating biodiversity enhancements into the design of our buildings;
  - Incorporating sustainable urban drainage systems into our new build developments to help maintain biodiversity and reduce the risk of flooding.
  - Ensuring that the size, type and mix of tenures of new properties assists in supporting community cohesion and sustainability by best meeting local demand requirements.

## APPENDIX B

- Having regard to emerging technologies with the objective of “future proofing” properties so far as possible – to either take advantage of new services or at least minimise the disruption and cost of future provision.

### 6. PERFORMANCE MONITORING OF CONSULTANTS AND CONTRACTORS

- 6.1 Throughout the course of a development project, the Development Manager in consultation with the Development Team, will assess the performance of each consultant and contractor.
- 6.2 Once a year a formal performance assessment will be recorded on a project basis against Key Performance Indicators and each firm will be given an overall rating for that year.
- 6.3 A full report of consultant and contractor performance, comparing the current year with previous years, will be presented annually to the Cabinet. Each consultant and contractor will also receive a copy of their own KPI assessment, for their information.

### 7. QUALITY CONTROL

#### Clerk of Works

- 7.1 The Council will employ an in-house Clerk of Works to oversee the progress of works on site. The Clerk of Works will work in conjunction with the Development Manager and project team, to monitor the quality of workmanship and adherence to the contract drawings and specification.

#### Handover of Properties

- 7.2 Prior to acceptance of handover of completed properties, the Clerk of Works and relevant consultants will undertake a full snagging inspection of each property and all common areas to ensure the quality of finish meets the Council's criteria. Full details and requirements for this process are given in the Council's Development Procedures.

#### Defects Liability Period and Final Defects

- 7.3 The contractor is responsible for any defects that arise during the course of the year's defects liability period following completion of the works. The method of processing and recording defects reported during this time is set down in the Council's Development Procedures.
- 7.4 At the end of the defects liability period, the Clerk of Works and relevant consultants will undertake a final defects inspection of each property and all common areas and issue a final defects list to the contractor. Once defects are completed satisfactorily the properties will be fully maintained by the Council.

#### Review of Specification

- 7.5 As part of its on-going commitment to ensure it provides best quality affordable housing, the Council will undertake a full review of the Design Guide and specification following completion of each development project. This review will also take account of any management or tenancy issues that have arisen as a result of a particular design or specification item.

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7.6 At the end of the defects liability period, the Council will undertake a tenant design satisfaction survey and will report the findings, along with any recommendations, to Cabinet.

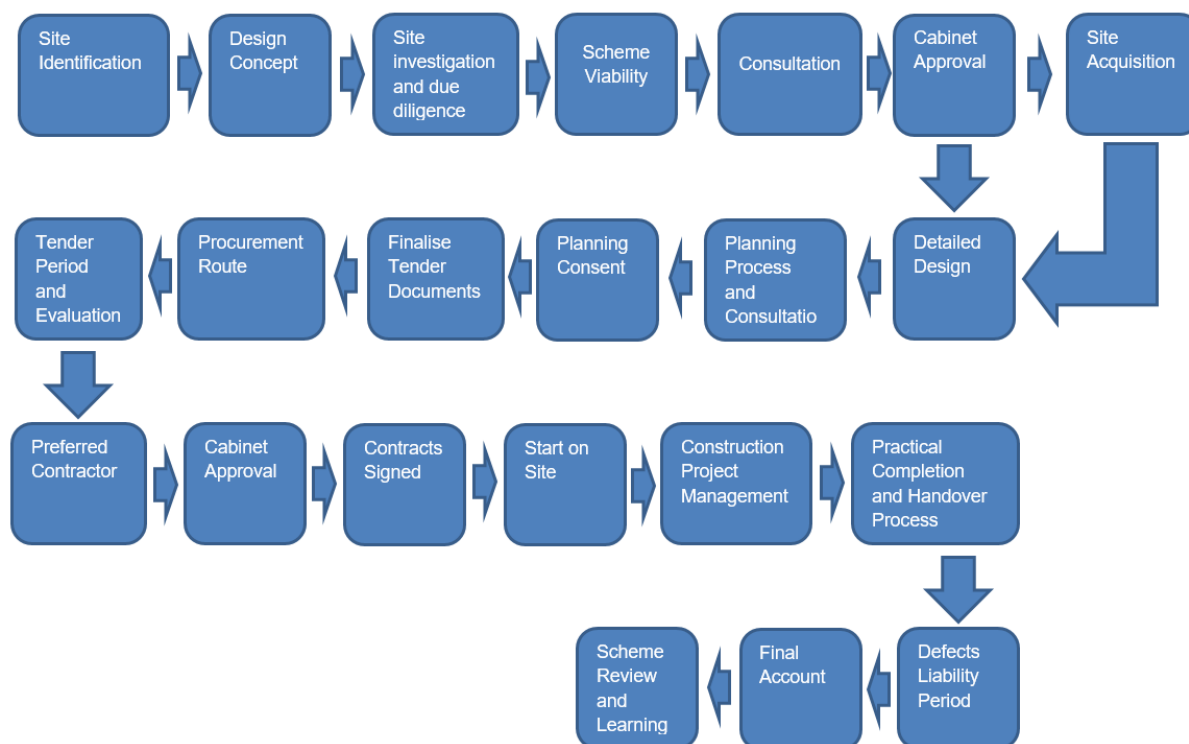
### 8. RISK MANAGEMENT

8.1 This document is intended to control the following risks.

8.2 That the Council should not;

- contravene legislation and best practice,
- embark on a development project that is neither financially nor practically viable, with resultant financial effect,
- fail to achieve best value for money in the procurement of works and services in capital projects,
- fail to control costs within its development programme,
- fail to meet the required quality criteria in its development projects
- incur significant costs without adequate assessment of quality and whole life costing
- suffer financial and reputational loss as a result of a contractor going into liquidation.

### 9. DEVELOPMENT PROCESS FLOW CHART





VALE OF GLAMORGAN COUNCIL



# Housing Development Procedures

Directorate of Environment and Housing

April 2019 Version 1.2  
Review date: April 2021

## DEVELOPMENT PROCEDURES CONTENTS

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3. Stage 2: Scheme Development
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5. Stage 4: Works Procurement
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7. Stage 6: Post Contract including Handover Procedure
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2. Scheme Risk Register
3. Site Appraisal Form
4. Clerk of Works Report
5. Satisfaction Survey
6. Audit File Checklist

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### 1. Introduction

- 1.1 These Procedure Notes assume that the Vale of Glamorgan Council is utilising its own in-house development resource (the Development Team) and are intended to guide the development process to ensure that new projects meet the Housing Business Plan objectives, are financially viable and meet identified housing need.
- 1.2 They are intended as a “good practice” guide rather than a set of detailed instructions and should be read in conjunction with the Council's Standing Orders, Financial Regulations and Contract Procurement Regulations and other regulatory and policy framework documents.
- 1.3 The procedures are divided into seven sections. At the end of each section, there is a key task checklist.
- 1.4 Development is not an entirely sequential process and it is common for procedural stages to overlap (e.g. detailed design, works procurement and land acquisition may all run concurrently), so the checklists and procedure notes for different stages may need to be followed in parallel for parts of the process.

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### 2. Stage 1: Scheme Inception and Feasibility

- 2.1 This section provides guidance on identifying suitable sites and progressing new developments opportunities to feasibility scheme approval.

#### Site Identification

- 2.2 Sites may be identified by the Development Team, other Council Departments or by contacting landowners, estate agents, developers, public bodies, consultants and other potential land sources.
- 2.3 All potential sites must be consistent with meeting the objectives of the Council's Corporate Plan, the Housing Strategy and the Development Strategy.
- 2.4 All potential sites which are compatible with the above will be visited and appraised by the Development Team and a feasibility report will be produced. This may be an initial report or full appraisal if sufficient information is available.

#### Initial Internal Consultation

- 2.5 The Head of Housing and Building Services will be consulted at the earliest opportunity on the suitability of the site location. The Operational Manager for Housing will be consulted on the local housing need and the preferred mix of unit types and tenure.
- 2.6 The Development Team will work with the preferred Architect who will, at risk, produce the initial scheme layouts.
- 2.7 Following initial internal consultation, the Housing Development Strategic Project Board will confirm whether a site is suitable for development and further work is to be commissioned. Although these procedures note particular points in the development process where Housing Management and Asset Management Teams will be consulted, regular progress reports will be given to the Housing Development Strategic Project Board and Operational Project Board, in order that other teams and council departments are aware of the new schemes and the likely timing of new property handovers.
- 2.8 An electronic scheme file for each scheme will be created on the Corporate and Housing Compliance Server at [Z:\Development Team](#).
- 2.9 Where the site is to be developed for affordable housing, the Development Team will register the site with the Council's Strategic Housing Team, for the purposes of any grant funding application and to avoid unnecessary competition from other housing partners.

#### Appointing Professional Services / Consultants

- 2.10 Having received authority to proceed from the Housing Development Strategic Project Board, the Development Team will appoint design and cost consultants, at risk, to produce feasibility scheme designs and initial cost estimates.

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### Further Scheme Consultation

- 2.11 The Development Team will further consult with the Housing Management Team on the feasibility scheme design and specification to ensure unit mix, tenure, site layout and future management arrangements are acceptable.
- 2.12 The Development Team will consult with the Head of Finance to establish rent and service charge levels applicable to the unit type and location of the development.
- 2.13 The Development Team will consult with the Operational Manager for Building Services to establish the future responsive maintenance requirements of the development can be met and that proposed fixtures and fittings comply with the Asset Management Strategy, in terms of lifecycle and product suitability.
- 2.14 The Development Team will consult with the Council's Highway and Drainage Managers to ensure that their expectations are met in the design process to avoid difficulties at the construction phase.
- 2.15 The Development Team will consult with the Council's Planning Policy team to ensure that the scheme meets the requirements of local and national planning policy.

### Financial Feasibility

- 2.16 The Development Team will undertake an initial financial feasibility appraisal of the scheme, using the current Housing Business Plan assumptions.
- 2.17 The Development Team will confirm the accuracy of the initial financial feasibility appraisal of the scheme with the Head of Finance and also ensure that there is sufficient funding available within the development budget to support the scheme.
- 2.18 The Development Team will list all potentially abortive costs that are likely to be incurred, up to the submission of a planning application and / or land acquisition.

### Stage 1 (Feasibility) Approval to Proceed

- 2.19 The Stage 1 Checklist and supporting documentation listed must be submitted for approval to the Housing Development Strategic Project Board, prior to achieving planning consent for the scheme and site acquisition.
- 2.20 If the total potential abortive costs are less than £25,000, but will result (when added to previous in-year abortive costs) in exceeding the annual abortive costs budget by 10% or more, the scheme must be submitted to Cabinet for Stage 1 Approval to Proceed.
- 2.21 The Stage 1 Approval Report should include as a minimum:
  - The Feasibility Report (**Appendix 1**), including risk assessment of potential problematic areas such as bats, site contamination, surface water drainage, etc. and an exit strategy if the scheme becomes too risky.
  - The financial feasibility appraisal
  - The list of potentially abortive costs to planning and site acquisition.
- 2.22 The scheme must have Stage 1 (Feasibility) approval to proceed before potentially abortive costs are incurred.

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- 2.23 On completion of this stage, the Stage 1 Feasibility / Approval to Proceed Checklist will be completed and signed off.

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**APPENDIX C**

**Stage 1 Feasibility / Approval to Proceed Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File checklist Stage 1 completed			
Does the scheme meet the objectives of the Corporate Plan?			
Does the scheme meet the objectives of the Local Housing Strategy?			
Does the scheme meet the objectives of the Development Strategy?			
Local Housing Need confirmed			
Site Appraisal form completed			
Housing Strategy support confirmed			
Financial appraisal / scheme viability checked by Finance Team			
Housing Development Strategic Project Board approval to proceed			

I certify that Stage1 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

## APPENDIX C

### 3. Stage 2: Scheme Development

- 3.1 This section provides guidance on developing a scheme from feasibility stage to detailed design and approval, identifying risks associated with the proposed development, ensuring that they are managed appropriately and ensuring that the scheme achieves the required quality.

#### Appointment of Professional Services / Consultants

- 3.2 The Development Team will appoint professional services / consultants in accordance with the Councils Contract Procurement Rules to form the Project Team.
- 3.3 Formal letters of appointment will be issued professional services / consultants and will include a clear scope of works and the level of remuneration agreed.
- 3.4 To comply with Council's duties under the CDM Regulations 2015, a Principal Designer must be appointed from the Project Team as early as possible, to advise on health and safety risks from inception to completion.
- 3.5 Initially the Project Team will be appointed to undertake duties to Royal Institute of British Architects (RIBA) Stage 3 (Design and Planning).
- 3.6 Initial Project Team appointments should include, but are not limited to:
- Employers Agent
  - Architect
  - Project Engineer
- 3.7 The Council's Planning Policy team and Legal Services team will be engaged to provide planning and legal advice respectively.

#### Development of Detailed Scheme Design

- 3.8 The Development Team will ensure that the architect has completed an audit of the scheme and certifies that it complies with Development Quality Requirements (DQR) Lifetime Homes and the Councils Design Guide. Any areas of non-compliance must be reported to the Development Team.
- 3.9 The Development Team will ensure that the architects design is compliant with DQR, Lifetime Homes, the Councils Design Guide and Supplementary Planning Guidance (SPG) relating to affordable housing, parking standards, residential and householder development, etc.
- 3.8 For grant funded schemes, if any areas of design non-compliance are identified, but are unavoidable due to site constraints, topography, etc. the Development Team will discuss the issue with Welsh Government and negotiate the required dispensations.
- 3.9 Following the completion of the Pre-Application Consultation (PAC) process, due diligence and site investigation, the architect will submit the planning application.

#### Site Investigation

- 3.10 The Development Team with the assistance of the Project Team, will identify which site surveys, due diligence and other investigations are required.



## APPENDIX C

3.11 The Development Team will ensure that the professional services / consultants engaged to carry out due diligence or site investigations hold relevant current insurances, including Professional Indemnity insurance, copies of which will be held in the relevant scheme file.

3.12 The Development Team will ensure that all site information is provided to the Project Team and other professional services / consultants.

### Report on Title

3.13 The Development Team will instruct the Head of Legal Services to undertake full legal searches on each site and produce a Report on Title.

3.14 The Development Team will continue to liaise with the Head of Legal Services and advise of any further legal investigations which should be undertaken or indemnity cover that needs to be implemented to protect the Council's interest.

3.15 The Development Team will ensure that the appointed Valuer is advised of any covenants or title issues which could affect the value of the site.

### Valuation

3.16 The Development Team will prepare the Valuer's appointment letter, which will contain details of the proposed scheme, the site layout, schedule of accommodation, tenure, planning status, S106 planning obligations, abnormal conditions, contamination, restrictive legal covenants, and any other factors which may affect the value of the site.

3.17 The Valuer will be required to provide:

- An Open market value of the site;
- The Open Market value of completed units;
- The Market Rental value of the completed units; and
- The Existing Use Value – Social Housing.

### Consultation

3.18 The Development Team will take the final scheme proposals to the Operational Project Board for consideration and all comments will be recorded and addressed.

3.19 As part of the planning process, the Development Team will organise a public event as part of the Pre-Application Consultation (PAC) with the local community adjacent to the site. The comments from which will be submitted as a report with the full planning application.

3.20 The Development Team will consult the Asset Management Team to discuss the final design and specification and all comments will be recorded and addressed.

### Financial Appraisal

3.21 Once the final scheme design is agreed, the Development Team will issue drawings, survey and investigation reports to the Employers Agent's (cost consultant).

3.22 The Employers Agent will provide a pre-tender estimate for the detailed design scheme.

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- 3.23 The Development Team will undertake a financial appraisal using the estimated build costs and Council's Housing Business Plan assumptions and development appraisal parameters. The Head of Finance will independently review the financial appraisal.

### Risk Management

- 3.24 The Development Team will begin a Scheme Risk Register (**Appendix 2**). This will identify and quantify risks specific to the scheme, show how and by whom each risk will be managed and any mitigating factors.
- 3.25 The Development Team will be responsible for updating the risk register regularly, reporting increasing scheme risk and / or significant changes to the Housing Development Strategic Project Board.

### Approval to Proceed

- 3.26 Prior to land acquisition, applying for planning permission, tendering a scheme and entering into a building contract a report must be submitted to Cabinet for approval.
- 3.27 The approval report should include commentary on planning status, financial viability, scheme mix, tender sums, land valuation, etc.
- 3.28 Once a scheme has Cabinet approval to proceed, the Development Team will ensure that each Cabinet resolution is implemented in accordance with the Council's Scheme of Delegation, working with the delegated or responsible officer to deliver the requirements of the resolution.
- 3.29 On completion of this stage, the Stage 2 Checklist will be completed and signed off.

### Works Procurement

- 3.30 The choice of procurement route should be made as early in the design process as possible and whilst a tender exercise can be run concurrently with the design phase, a contract cannot be let until a scheme has Cabinet approval.
- 3.31 The Development Team in consultation with the Policy Officer (Procurement) will seek to utilise any pre-tendered frameworks that may exist, in the first instance.
- 3.32 If there are no pre-tendered frameworks available to procure the scheme, the Development Team will work with Policy Officer (Procurement), to co-ordinate a competitive tender exercise administered through the Sell2Wales portal.
- 3.33 The procurement process will be conducted strictly in accordance with the Council's Contract Procurement Rules.

*Refer to Stage 4 Works Procurement for more detail.*

**APPENDIX C**

**Stage 2 Scheme Development / Design Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File completed to Stage 2			
Design Team appointments made			
Planning Policy Team commentary received			
Method of procurement decided			
Site investigations / due diligence carried out, to include where appropriate: <ul style="list-style-type: none"> <li>➤ Topographical Survey</li> <li>➤ Geo-technical Survey</li> <li>➤ Geo-environmental Survey</li> <li>➤ Site Services Pack</li> <li>➤ Ecological Survey</li> <li>➤ Arboriculture Survey</li> <li>➤ Archaeological Survey</li> <li>➤ Party Wall Survey</li> <li>➤ Drainage Survey</li> <li>➤ Drainage Strategy</li> <li>➤ Traffic Survey</li> <li>➤ Flood Consequences Assessment</li> <li>➤ Report of Title</li> <li>➤ Other</li> </ul>			
Design audited completed to ensure DQR, Lifetime Homes, SBD, SPG, etc.			
Consultation carried out: <ul style="list-style-type: none"> <li>➤ Operational Project Board</li> <li>➤ Housing Management</li> <li>➤ Housing Maintenance</li> <li>➤ Asset Management</li> <li>➤ Local Members</li> <li>➤ QDF</li> <li>➤ Occupational Therapist (client reports for adapted units)</li> </ul>			
Valuation undertaken			
Financial appraisal / scheme viability checked by Finance Team			
Cabinet Approval			

**APPENDIX C**

I certify that Stage 2 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

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## APPENDIX C

### 4. Stage 3: Site / Property Acquisition

- 4.1 This section provides guidance on acquiring land or property. It ensures that land or property is suitable for its intended purpose and that costs are within approved financial parameter. The Site Appraisal Form (**Appendix 3**) will be completed and signed off in all cases.

#### Offers

- 4.2 Having received approval to proceed from the Housing Development Strategic Project Board, the Development Team will instruct the Operational Manager (Property) to negotiate on its behalf with the landowner or his/her agent, in order to achieve the best possible purchase price for the site or property. The Operational Manager (Property) will produce and agree Heads of Terms with the vendor.
- 4.3 The price agreed must be within the site valuation advised by the appointed Valuer. Cabinet approval must be obtained to accept a price above the valuation.
- 4.4 The Development Team must ensure that the appointed Valuer has all the relevant information available concerning the site, including scheme mix, rents, planning history, etc.
- 4.5 In most circumstances, offers made by the Council must be conditional if specific events have yet to take place namely, having Cabinet approval, planning consent or grant funding approved. All offers will be 'subject to contract'.
- 4.6 Written acceptance of the offer by the vendor is required and must be held on the scheme audit file.
- 4.7 The vendor's written acceptance of the offer should be received prior to the submission of a planning application by the Council.
- 4.8 If the vendor's acceptance is conditional on any matter other than contract, the Development Team will seek the opinion of the Operational Manager (Property) and the matter will require the approval of Cabinet.

#### Financial Appraisal

- 4.9 The Development Team will carry out an updated financial appraisal (acquisition), based on the purchase price agreed. If the updated appraisal exceeds any of the agreed financial parameters, the scheme will need to be referred to Cabinet for an updated approval.
- 4.10 The financial appraisal (acquisition) must be checked and authorised by the Head of Finance, before the exchange of contracts for the land or property.

#### Legal Contracts

- 4.11 The Head of Legal Services will provide a Report on Title confirming good title. If the title is defective, legal advice should be sought on the appropriate indemnity cover to be taken out to protect the investment. It may be possible to request that the vendor take out the necessary indemnity or, to negotiate the deduction of the cost from the purchase price.

## APPENDIX C

- 4.12 On the advice of the Operational Manager (Property), the Head of Legal Services will prepare contracts ready for examination by the vendor.
- 4.13 The Site / Property Acquisition Checklist should be completed by the Development Team and authorised by the Development Manager prior to exchange of land or property contracts.
- 4.14 On completion of the purchase, the Head of Legal Services must provide the Development Team with a written statement of completion, indicating the dates of exchange, completion and the price paid.

### Post Completion

- 4.15 If possession of the site is not immediately passed on to the Contractor, the Development Team will advise on appropriate arrangements for securing the site.
- 4.16 If possession of the site is not immediately passed on to the Contractor, the Development Team will ensure that the Operational Manager (Property) has included the site into the Council's insurance schedules. (It should be confirmed by the Head of Legal Services that the site is insured by the vendor between exchange of contracts and completion).
- 4.17 The Council's GIS, Asset Data Base and Keystone system will then be updated to record the site acquisition.
- 4.18 On completion of Stage 3, the Site / Property Acquisition Checklist will be completed and signed off.

**APPENDIX C**

**Stage 3 Site / Property Acquisition Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File completed to Stage 3			
Site Investigations and Due Diligence undertaken			
Site Valuation (DV report required on sites likely to be > £350,000)			£
Cabinet Approval (conditional / unconditional). If conditional, please list;  i) ii) iii) iv)			
Financial Appraisal / Scheme Viability updated (acquisition)			
Operational Manager (Property) instructed			
Report on Title confirming good title			
Defective title covered by Indemnity Insurance (if required)			
Offer 'Subject to Contract'			
Vendors written acceptance of offer			
Legal Completion Statement			
Site included in Council's Insurance cover			
Site Secured			
Council Data Bases updated			
Welsh Government grant application			

**APPENDIX C**

I certify that Stage 3 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

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### 5. Stage 4: Works Procurement

5.1 This section provides guidance on the procurement of a building contractor for a development scheme. Most of the actions will be the responsibility of the Development Team, in conjunction with the Policy Officer (Procurement).

#### Strategy

5.2 The Policy Officer (Procurement) will recommend the appropriate procurement route, acting on the advice and recommendations of the Development Team and the Employers Agent.

5.3 The proposed procurement route will be approved by Cabinet prior to the commencement of the tendering process.

5.4 On the instruction of the Development Team, the Employers Agent will prepare and issue the tender documents appropriate to the procurement method chosen. The Tender Pack will include:

- The Vale of Glamorgan Council Design Brief
- Employers Requirements
- The detailed specification
- Approved planning drawings
- Pre-construction Information
- Tendering instructions.

#### Procurement Routes

5.5 There are several Procurement Routes that may be considered, that include:

- Traditional Procurement
- Design and Build
- Management Contracting
- Construction Management
- Package Deals
- Framework Agreements
- Two Stage Procurement

#### Frameworks

5.6 In the first instance and on the advice of the Policy Officer (Procurement), the Development Team will seek to utilise any OJEU compliant Frameworks that exist to deliver the required outputs of the development scheme.

5.7 An example of a current Framework that can be considered is that of the Welsh Procurement Alliance (WPA), that provides construction related services for housing associations and local authorities.

5.8 If utilising a Framework, the Development Team will follow the appropriate call off procedures and if a mini competition process is used, all suppliers on the pre-competited framework must be invited to participate on a 'Lot' specific basis.

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- 5.9 The evaluation criteria can be project specific and should be drawn up in advance when the specification is developed and will be agreed by the Development Team and the Policy Officer (Procurement).

### Commercial Negotiations (including Section 106 and Package Deals

- 5.10 Negotiation of contracts will be acceptable only with Cabinet approval and in the following circumstances:

- Where a contractor/developer owns or controls the land or property,
- Where the scheme is a subsequent phase of an existing development and,
- Where the scheme is of a specialist nature.

- 5.11 On the instruction of the Development Team, the Employers Agent will produce a Tender Report, which will include evidence of similar schemes tendered to compare against the negotiated tender sum, to confirm that it represents good value for money.

### Tender Process

- 5.12 On the instruction of the Development Team, the Employers Agent will produce a pre-tender estimate of the build costs.
- 5.13 The pre-tender estimate will be used to update the scheme financial viability model and if still viable, the tender process will continue.
- 5.14 If there are no pre-tendered frameworks available to procure the scheme, the Development Team will work with Policy Officer (Procurement), to co-ordinate a competitive tender exercise administered through the Sell2Wales portal.
- 5.15 Contractor tender submissions will be considered based on their organisation and capacity, financial strength relative to the type and value of the proposed scheme and previous experience and track record.
- 5.16 Contractor tender submissions will be evaluated in accordance with the principle of MEAT – Most Economically Advantageous Tender – that considers organisational capacity, financial strength, previous experience/references, innovative methodologies, pricing, targeted recruitment and training and any other criteria outlined in the tender documents.
- 5.17 The financial strength of each contractor will be examined by the finance team and considered as part of the tender evaluation and selection process.
- 5.18 Tenders will be opened in accordance with the Council's Contract Procurement Rules (CPR) on the Sell2Wales portal, at the time stipulated to end the tender period.
- 5.19 Tender evaluation will be conducted in line with the Council's CPR, supported by Development Team and the Employers Agent, who will undertake a detailed tender sum analysis.
- 5.20 The Employers Agent will produce a detailed tender report on the contractor tender submissions received - having regard to the pre-tender estimate of construction costs and the predetermined cost and quality matrix with the Policy Officer (Procurement) - recommending the acceptance of one successful tender.

## APPENDIX C

- 5.21 The tender report will be incorporated into the report to Cabinet recommending awarding the contract to the successful contractor, also requesting delegated authority for designated officers to execute and enter into a building contract.

### Financial Appraisal (Pre-start on Site)

- 5.22 Following the receipt of the tender report, the Development Team will carry out a further financial appraisal, to ensure that the preferred contractors' tender sum is affordable and does not adversely affect scheme financial viability model.
- 5.23 If the scheme financial viability model is adversely affected, the Development Team, supported by the Employers Agent, will carry out a cost reduction exercise with the preferred contractor to establish if cost savings can be achieved.
- 5.24 Any savings which impact the scheme specification must be agreed by the Housing Development Strategic Project Board.
- 5.25 If the preferred contractors tender sum is broadly in line with the pre-tender estimate and remains affordable within the scheme financial viability model, the Development Team will report to Cabinet recommending awarding the contract to the successful contractor and at the same time, requesting delegated authority for designated officers to execute and enter into a building contract.
- 5.26 Having received Cabinet approval, the Development Team will instruct the Employers Agent to draw up a formal building contract and arrange a pre-contract meeting with the successful contractor.
- 5.27 On completion of Stage 4, the Works Procurement Checklist will be completed and signed off.

**APPENDIX C**

**Stage 4 Works Procurement Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File completed to Stage 4			
Procurement route chosen			
Tender documents prepared by Design Team			
Tender process commences			
Tender period concludes			
Tender evaluation commences			
Contractor financial checks			
Tender evaluation concludes			
Detailed report on tender submissions prepared			
Financial appraisal / scheme viability of tender sum			
Cabinet Approval to award contract			

I certify that Stage 4 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

### 6. Stage 5: Entering Into a Building Contract

6.1 This section provides guidance on entering into building contracts to ensure that the Council's interests are protected. Most of the actions will be responsibility of the Development Team with the delegated authority of Cabinet.

#### Financial Appraisal

6.2 The Development Team will carry out a 'start on site' financial appraisal using current actual costs (should there be any variance between that of current costs derived from any pre-contract inclusions or omissions and the tendered costs).

6.3 The Development Team will then update the scheme financial viability model to ensure the scheme remains affordable.

#### Building Contract

6.4 Under the supervision of the Development Team, the Employers Agent will assemble the contract documents which will include:

- The Employers Requirements
- The Contract (with a Schedule of Amendments which secure the interests of the Council)
- The Contract Sum Analysis
- The Contractors Proposals
- Confirmation of Liquidated and Ascertained Damages

6.5 For the purposes of securing Welsh Government subsidy (currently Affordable Housing Grant), the Development Team will check the contract details match those of the grant bid submitted in terms of contract sum, tenure, unit size, compliance with Development Quality Requirements (DQR), Lifetime Homes, Secure By Design and key milestones, particularly start on site and practical completion.

6.6 The Development Team will ensure that the building contract is signed and dated prior to the contractor being granted possession of the site, in accordance with the relevant Delegated Authority.

6.7 Contract details will be added to Housing and Building Services Contract Register

6.8 The Development Team, supported by the Employers Agent, will manage and administer the building contract on behalf of the Council, in accordance with the Council's Management of Contractors Policy (Engaged in Construction Work).

6.9 On completion of Stage 5, the Building Contract Checklist will be completed and signed off.

**APPENDIX C**

**Stage 5 Building Contract Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File completed to Stage 5			
Delegated authority to enter into contract			
Pre-contract meeting to discuss contract amendments, specification and programme			
Contract documentation signed and filed with Legal Services (copy in scheme file)			
Contractor insurances on file			
Contractor Parent Company Guarantee or Performance Bond			
Consultant collateral warranties agreed			
Structural insurances registration evidenced – LABC, NHBC, etc.			
Pre-commencement planning conditions supported by a tracker			
Welsh Government funding applied for (if applicable)			
Financial appraisal / scheme viability at start on site			

I certify that Stage 5 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

### 7. Stage 6: Post Contract including Handover Procedure

7.1 This section provides guidance on the management of the building contract and handover procedures. Most of the post contract actions will be the responsibility of the Development Team who will project manage the construction phase through to practical completion and handover.

#### Construction Phase Health and Safety Plan

7.2 The Development Team must ensure that the contractor has sufficient time to develop the CPHSP before work starts on site.

7.3 An independent Construction, Design and Management consultant must review the CPHSP, confirm that the facilities on site are adequate and the F10 notification has been issued the Health and Safety Executive.

#### Building Contract

7.4 On the instruction of the Development Team, the Employers Agent will organise a pre-contract commencement meeting. The meeting should cover as a minimum:

- Contract details
- Agenda, format and dates for monthly site progress meetings including the required content of the contractors report
- Site management and set up
- CDM and Health and Safety matters
- Contract management, valuations, performance bond, collateral warranties
- Quality control
- Planning Conditions (pre-commencement and pre-occupancy)
- Any statutory approvals required
- Structural warranties
- Resident relations
- Targeted Recruitment & Training, in accordance with the Value Wales Toolkit
- Communication

#### Welsh Government Funding

7.5 Where a scheme is funded by Welsh Government, the Development Team will be responsible for monitoring the progress of the scheme against Welsh Government milestones and administering the scheme notifications and grant claims in a timely way.

#### Monitoring work on site

7.6 The Development Team's Clerk of Works (CoW) will be responsible for monitoring progress and the quality of work on site.

7.7 The CoW will prepare, at a minimum, weekly reports (**Appendix 4**) which will be issued to the Development Manager and copied to the Employers Agent and also reported monthly at the site meetings.

7.8 Copies of the CoW's reports will be retained on the development file.

## APPENDIX C

- 7.9 The Employers Agent will arrange, chair, prepare an agenda and minute the monthly site progress meetings, which be attended by the Development Team. Copies of all site meeting minutes will be retained on the development file.
- 7.10 The contractor will submit a progress report at each monthly meeting. The report should include as a minimum:
- Progress against the construction programme
  - An updated cash flow
  - Key performance indicators
  - Sub-contractors progress reports
  - Discharge of planning conditions
  - Building control and structural warranty updates
  - Notification of any complaints by neighbouring residents
  - Record of inclement weather
  - Details of Variations and Employers Instructions
  - Health and safety report including any health and safety incidents
  - A schedule of sub-contractors and suppliers and,
  - Update on TR&T activity
- 7.11 The Development Team will notify the Housing Development Strategic Project Board, the Operational Project Board and the Head of Housing and Building Services of any changes to the anticipated date of practical completion.

### Payments

- 7.12 The Development Manager is responsible for monitoring the scheme cost and ensuring that the scheme does not exceed the approved financial parameters.
- 7.13 The Employers Agent will issue interim certificates for payment with the contractors invoice, following monthly site valuations to the Development Manager.
- 7.14 With each payment certificate, the Employers Agent will attach a financial report confirming contract instructions issues and the anticipated final contract cost and completion date.
- 7.15 The Development Manager will forward interim certificates, contractors invoice and all payment documentation to the Finance Team and Creditors Section for entry on to the Corporate Contracts Register and for payment. Payments must be made in accordance with the terms set out in the Building Contract.
- 7.16 Any variations to the contract must be agreed by the Development Manager, before being issued as an Employers Instruction by the Employers Agent.
- 7.17 Variations must be approved by the relevant officer in accordance with the levels of their financial authority, in accordance with the Council's Financial Regulations.

### Pre-Handover

- 7.18 At least twelve weeks before completion, the Development Team will provide the Operation Manager for Housing with a schedule of properties to be handed over. This should include plot numbers and postal addresses, utility service providers, rents, service charges and all other information required to advertise the properties for letting.



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- 7.19 The Operation Manager for Housing will arrange to let and arrange all viewings, in liaison with the Development Team.
- 7.20 The Development Team with the Employers Agent, will ensure that the planning conditions have been discharged appropriately and that building regulations final approval has been granted.
- 7.21 The Operational Manager for Housing will ensure that the new property details are entered onto the Operational Housing Management System (OHMS) prior to practical completion.
- 7.22 Asset Management's Business Support Officer will be responsible for creating the new properties on the Keystone System and adding the defects period alerts to maintenance file, prior to practical completion.
- 7.23 The Development Team with the Employers Agent and CoW, will arrange dates for the snagging of properties to take place, nearing the date of practical completion. The contract should give a minimum of three weeks' notice of practical completion, in order to allow sufficient time for the snagging and de-snagging of properties prior to handover.
- 7.24 The Development Team with the Employers Agent, will ensure that the Health and Safety file is compiled by the contractor and independently verified by the appointed Health and Safety Advisor, in accordance with the CDM Regulations 2015, prior to handover.
- 7.25 The Development Team will provide details of the defects reporting process and contractor contact details, including out of hours emergency contact details to the Housing Management, Housing Maintenance and Asset Maintenance Teams.
- 7.26 The Development Team will also inform the Customer Contact Centre (C1V) of all handovers.
- 7.27 The Development Team will liaise with the contractor and the Operational Manager for Housing, to make arrangements for the transfer of keys and to arrange for the operation of installations – heating programme controls, etc. – to be demonstrated to the appropriate staff, by the relevant sub-contractor.
- 7.28 The Employers Agent will then issue the Certificate of Practical Completion.
- 7.29 Prior to practical completion, the Development Team will be responsible for ensuring that the completed properties are covered by the Council's insurance policy, from the date of handover.

### Financial Appraisal and Welsh Government Funding

- 7.30 The Employers Agent will prepare the Anticipated Final Account.
- 7.31 The Development Team will carry out a 'post completion' financial appraisal using the final actual costs and will update the scheme financial viability model, to ensure the completed scheme was viable and has remained within Housing Business Plan's development appraisal parameters.

## APPENDIX C

- 7.32 For the purposes of Welsh Government grant funding, the Development Manager will submit (if required) the final cost entry and practical completion grant claim to the Welsh Government.
- 7.33 If the reconciliation of the financial appraisal exceeds the Housing Business Plan's development appraisal parameters, an explanation must be provided by the Development Manager and reported to the Housing Development Strategic Project Board and Cabinet, if necessary.
- 7.34 On completion of Stage 6, the Post Contract Checklist will be completed and signed off.

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**APPENDIX C**

**Stage 6 Post Contract including Handover Procedure Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
<b><i>Practical Completion Checklist</i></b>			
Audit File completed to Stage 6			
Anticipated final account on file			
Health & Safety file issued			
Health & Safety file independently audited			
S38/278 Agreements on file			
S104/106 Agreements on file			
Other Statutory Agreements on file			
Planning Conditions discharged			
Building Control Certification on file			
Evidence of compliance with S106 obligations			
Secured by Design Certification			
EPC or each property			
O&M Manual issued			
As Built Drawings issued			
Structural Insurance cover note available			
Structural Insurance Certification			
NICEIC Safety Certification			
Gas Safety Certification			
Sprinkler Test Certification			
Lift Commissioning Certification			
Fire alarm system signed off and fire certificate issued			
Practical Completion Certificate issued			
<b><i>Handover Checklist</i></b>			
12 week Pre-Handover notification to Housing & Building Services teams			

## APPENDIX C

All meter readings taken			
Tenant Home User Guide issued			
2 no. sets of keys per property received			
Contractor emergency repairs contact details			
Property details updated on OHMS			
Defects Period alerts added to Keystone			
Customer Contact Centre informed of handovers			
Properties added to Council's insurance policy			
Tenant demonstrations arranged			

I certify that Stage 6 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

## APPENDIX C

### 8. Stage 7: Post Completion including Defects Procedure

8.1 This section provides guidance on post completion contract procedures, financial reconciliation and scheme review.

#### Defects Period

8.2 The Customer Contact Centre will take defect calls from tenants and pass defects reports directly to the contractor.

8.3 The Customer Contact Centre will compile monthly defects reports and issue them to the Development Team, who in turn will forward the list to the Employers Agent.

#### Making Good Defects

8.4 Six weeks before the end of the defects period, the Head of Housing and Building Services will contact the tenants of the new properties and arrange for end of defects inspections to be carried out.

8.5 The inspection will be carried out by the Employers Agent with a member of the Development Team and / or the CoW.

8.6 The Employers Agent will re-inspect the properties once the contractor has confirmed the defects have been rectified.

8.7 Following a satisfactory inspection and with the authorisation of the Development Team, the Employers Agent will issue a Certificate of Making Good Defects and authorise payment of the retention.

8.8 The Employers Agent will issue the Final Account, which should be signed by the contractor.

8.9 The Development Team will inform the Asset Management's Business Support Officer that the defects period has officially ended, instructing that the maintenance file alerts be removed from Keystone System.

#### Scheme Review

8.10 Within twelve months of completion, the Operation Manager for Housing will ensure that feedback is obtained from tenants on their satisfaction with their homes and the surrounding external areas; car parking, landscaping, play facilities, open spaces, etc. **(Appendix 5)**

8.11 The Development Manager will convene a Post Scheme Review Meeting with members of the Housing Management, Housing Maintenance and Asset Management Teams. The meeting will consider tenants' feedback and address any on-going issues.

8.12 The feedback from the Post Scheme Review Meeting will be used to inform the Council's Housing Development Policy and Design Guide to ensure that the design, specification, construction, functionality, energy performance and affordability are continually improving.

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- 8.13 If necessary, the Development Manager will convene a Post Scheme Review Meeting with the Consultant Design Team, again to ensure that feedback relating to the completed scheme is incorporated in future scheme design.
- 8.14 On completion of Stage 7, Post Completion Checklist will be completed and signed off.
- 8.15 Once the project file has been formally closed, the Audit File Checklist (**Appendix 6**) will be signed off and securely stored.

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**APPENDIX C**

**Stage 7 Post Completion Checklist**

**Scheme**

Task	Date Completed	Completed / Checked By	Comment
Audit File completed to Stage 7			
First part release of retention			
Defects Liability Period begins			
Defects Liability Period ends			
Final Account Received			
Certificate of Making Good Defects issued			
Final Certificate			
Final part release retention			
Scheme financial reconciliation completed			
Final cost report to Finance Team			
Tenant satisfaction survey			
Internal Scheme Review held			
External Scheme review held			
Lessons Learnt Report published			
Benchmarking Data prepared			

I certify that Stage 7 Checklist has been completed satisfactorily and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....

Scheme to Progress to Feasibility

Housing Development Strategic Project Board Sign-Off Form

<b>Project Name</b>	
<b>Project Manager</b>	
<b>Location / Address</b>	
<b>Ward</b>	

**Housing Type / Tenure**

**Number and Mix of Units**

**Scheme Type (LA land, land acquisition, package deal, S106, etc.)**

**Strategic Considerations and rating\***

<i>Meets the objectives of the Corporate Plan</i>	1	2	3	4	5
<i>Meets the objectives of the Well Being Plan</i>	1	2	3	4	5
<i>Meets the objectives of the Housing Strategy</i>	1	2	3	4	5
<i>Meets the objectives of the Development Strategy</i>	1	2	3	4	5
* 1 fully meets objectives					

**Reasons for Rating**

**Details of scheme** (to include planning commentary, delivery timetable, availability of subsidy, procurement route, management / maintenance issues, potential development risks, potential abortive costs, etc.)



**Estimated Scheme Costs**

Site Acquisition:

Works:

On Costs:

Total Estimated Costs:

**Financial Viability**

Estimated Scheme Costs:

Grant Subsidy:

Net Present Value (NPV) over 60 years:

Repayment Year:

Scheme Cost Index (SCI): % of ACG

**Assumptions (in line with current Business Plan)**

Appraisal Period: 60 years  
 NPV discount rate: 3.75%  
 Inflation:  
 Rent P/W  
 Rent Increases:  
 Rent Weeks:  
 Void Provision:  
 Bad Debt Provision:  
 Grant Rate: 58%  
 Management Costs:  
 Maintenance Costs:  
 Loan Interest Rate:

**Officers recommendation and Signature:**

It is recommended .....

<b>Recommended for an approval to proceed to Feasibility Stage</b>	<b>Yes</b>	<b>No</b>
--	------------	-----------

**If no, reason for refusal**

**Housing Development Strategic Project Board decision**

**Signed:**

**Position: Leader**

**Date:**

**Signed:**

**Position: Cabinet Member for Housing**

**Date:**

### Scheme Risk Register

Scheme

Risk Ref	Risk Scenario		Assigned To	Existing Mitigation Measures	Current Risk Rating			Future Mitigation Measures	Future Risk Rating		
	Risk	Impact			Impact (1-5)	Likelihood (1-5)	Total		Impact (1-5)	Likelihood (1-5)	Total



APPENDIX 2



## Site Appraisal Form

Site Address:

### Site Details

Ownership	
Price	
Current Use	
Size in hectares	
Access	
Topography	
Boundaries	
Neighbouring Uses	
Demolition	
Services	
Legal Restrictions – PROW, restrictive covenants	
Planning Commentary	
Planning History	
Conservation Area	
Listed Buildings	
Other Constraints	

### Site Location

Distance from nearest Council Office	
Ward	
Existing Council homes in the area	

### Local Facilities

Primary School	
Secondary School	
Train Station	
Bus Stop	
Play for the under 5's	
Play for the over 5's	
Park	
Leisure Centre	
Swimming Pool	
Shops	
News Agent	
Post Office	
Supermarket	
Bank / Cash Point	
Doctors Surgery	
Hospital	
Dentist Surgery	

### Environment

Flood Risk	
Contamination	

### Sustainability

Demand (refer to LHMA and Housing Register)	
Voids	
Reputation	
Crime	
Unemployment	
Proximity to employment opportunities	

**APPENDIX 3**

Marketability (for LCHO, shared ownership, etc.)	
<b>Viability</b>	
Estimated Scheme Cost (inc. land & on-cost)	
Subsidy	
Rents	
NPV over 60 years	
Payback (Year)	
SCI	
<b>Housing Development Strategic Project Board Approval</b>	
<p><b>Signed:</b></p> <p><b>Position: Leader</b></p> <p><b>Date:</b></p>	
<p><b>Signed:</b></p> <p><b>Position: Cabinet Member for Housing</b></p> <p><b>Date:</b></p>	



### APPENDIX 4



## Vale of Glamorgan Council Clerk of Works Weekly Report

<b>Project:</b>	<b>Week commencing:</b>
<b>Contract Administrator:</b>	<b>Week No:</b>
<b>Main Contractor:</b>	<b>Contract Start Date:</b>
<b>Site Manager:</b>	<b>Contract Completion Date:</b>
<b>Clerk of Works:</b>	

<b>Defects/Issues</b>	<b>Photo</b>

<b>Action Taken/ Required</b>	<b>Action By</b>

## APPENDIX 4

<b>Programme</b>
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<b>Health And Safety</b>
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<b>Building control and warranty visit and comments</b>
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<b>General Report : Summary of Works in Progress</b>
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	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Total
Site Staff						
Carpenters						
Ground Workers						
Bricklayers						
Plasterers						
Plumbers						
Fencers						



### APPENDIX 4

Electricians						
Dry-liners						
Scaffolders						
Roofers						
Window/door fitters						
Painters						
Labourers						
Machine Operators						
Piling Operatives						
Steel fixers						
Site Engineer						
Attenuation Tank installers						
Quantity Surveyor						
Other Trades						
<b>Total</b>						

Trainees						
----------	--	--	--	--	--	--

Weather Conditions				
	AM on/off	PM on/off	Temp on Arrival	Weather
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				

## APPENDIX 4

## Privacy Notice

### **New Build Council Housing Tenant Satisfaction Survey**

This notice explains what information the Council needs in order to gather data from council tenants on the design of new build council housing.

#### *Who is responsible for your information?*

All personal information is held and processed by the Vale of Glamorgan Council in accordance with data protection law.

#### *What Information do we need?*

The Vale of Glamorgan Council will collect the following personal information about you:

- Your name;
- Your contact telephone number;
- The address of the property for which you are providing design comments;
- Details of any queries and comments you provide;
- Information on your household composition and whether you or someone in your household has mobility issues.

#### *Why do we need your information?*

This survey is being conducted to help with the future planning and design of council homes.

## APPENDIX 5

### *Who we will share your information with?*

The information collected will be treated as completely confidential by the survey team. Survey reports will use only summaries of information and will not reveal the identities of individuals.

### *How long do we keep your records?*

The council will only keep your details for as long as necessary but no longer than 6 years.

*Please express your views freely. Your views really matter to us. Thank you for participating in this survey*

**1. Name of your new build development that you live in?**

**Address:** .....

.....

.....

.....

**2. About your new home**

**House type:**                      Bungalow                                      House                                      Apartment

**Number of Bedrooms:** .....

**3. About your household**

**3.1 Number of people in each category** (Each age band must be completed. if no one aged 16-25 is in your household please state 0 in the number box)

Under 16 years	
16 – 25 years old	
26 - 49 years old	
50 – 65 years old	
Over 65 years old	

**3.2 Does anybody in your household have mobility issues?**

Yes

No

## APPENDIX 5

This survey is being conducted to help with the future planning and design of homes. The information collected will be treated as completely confidential by the survey team. Survey reports will use only summaries of information and will not reveal the identities of individuals.

We may wish to contact you to follow up some of your responses. Please provide a telephone number or email address if you are happy to be contacted in regard to any of your responses.

Name: .....

Telephone: .....

Email: .....

Date: .....

**4. Features of Your Home**

**4.1 Level of satisfaction**

	<i>Very satisfied</i>	<i>Fairly satisfied</i>	<i>Neither satisfied or dissatisfied</i>	<i>Fairly dissatisfied</i>	<i>Very dissatisfied</i>	<i>No opinion</i>
Thinking about how it affects your daily life and your ability to do the things that are important to you, how satisfied or dissatisfied are you with the location of your home?						
How do you rate the appearance of your home from outside?						
How satisfied or dissatisfied are you with the layout of your home?						

**4.2 What is it that makes you satisfied or dissatisfied with the layout of your home? What could have been specified better by the design team?**



## APPENDIX 5

**4.3 Do you feel able to make use of all of the rooms in your house?**

Yes

No

**4.4 Since moving home are you better able to get in and out of your house when you want to?**

Yes

No

**4.5 If you have mobility issues, has the new house helped in this regard?**

Yes

No

**4.6 If your new home has not improved mobility, please provide details.**

## APPENDIX 5

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**4.7 Thinking about the total amount of space in your home, how satisfied or dissatisfied are you with the amount of space in your home?**

Very satisfied	
Fairly satisfied	
Neither satisfied or dissatisfied	
Fairly dissatisfied	
Very dissatisfied	
No opinion	

**4.8 How satisfied are you with the following?**

	<i>Very satisfied</i>	<i>Fairly satisfied</i>	<i>Neither satisfied or dissatisfied</i>	<i>Fairly dissatisfied</i>	<i>Very dissatisfied</i>	<i>No opinion</i>
Colour scheme inside						
Quality of windows						
Quality of external doors						
Ease of opening windows						
Position and number of sockets						
Storage space						
Quality and number of kitchen units						
Worktop space for food preparation						
Quality of bathroom suite						
Ease of use of taps						
Quality of internal doors and handles						
Quality of locks						
Quality of floor coverings						

**4.9 If you would like to comment on any of the above, please do so here:**

**5. Heating Your Home**

**5.1 Compared with your previous home, do you find this property easier to heat?**

Easier

More difficult

The same

**5.2 Have you received face to face instruction or training on how to operate your heating system?**

Yes

No

**APPENDIX 5**

**5.3 If you would like to comment on any of the above, please do so here**

**6. Affordability and Value for Money**

**6.1 Turning now to your energy bills; how much do you spend on energy per month? Please select your fuel type and tick the amount most suited to what you spend per year on fuel?**

	Less than £15.00	£15.01 - £50.00	£50.01 - £100.00	£100.01 - £150.00	£150.01 - £200.00	More than £200.00
Gas						
Electricity						
Gas & electricity (dual tariff)						
Other						

## APPENDIX 5

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### 6.2 In terms of affordability

	<i>Very affordable</i>	<i>Fairly affordable</i>	<i>Neither affordable or unaffordable</i>	<i>Fairly unaffordable</i>	<i>Very unaffordable</i>	<i>No opinion</i>
How affordable do you find heating your house?						
Based on the rent you pay, how affordable is your new home to you?						

### 6.3 Taking everything together, which of these phrases best describe how you and your household are managing financially?

Managing very well	
Managing quite well	
Getting by	
Do not manage very well	
Have some financial difficulties	
In financial difficulty	
Prefer not to say	
Don't know	

### 6.4 Please use this box to provide further comments

--

## APPENDIX 5

### 7. Your Local Neighbourhood

7.1 With regard to the area immediately outside your home, how satisfied or dissatisfied are you with the following?

	<i>Very satisfied</i>	<i>Fairly satisfied</i>	<i>Neither satisfied or dissatisfied</i>	<i>Fairly dissatisfied</i>	<i>Very dissatisfied</i>	<i>No opinion</i>
Colour scheme and finishes of houses on the outside						
Access to the front door						
Own garden space						
Clothes drying						
Bin Storage						
Parking provision						
Play Area						
Design Overall						

7.2 Please include comments in the box below

## APPENDIX 5

**7.3 How do you find your overall access to local services and facilities, such as shops, bus stops etc. compared to your previous home?**

Better

The same

Worse

**7.4 Do you feel that you have a sense of belonging in your community or neighbourhood?**

Strongly agree	
Agree	
Neither agree or disagree	
Strongly disagree	
No opinion	

**7.5 Do you think neighbours would support or assist if you got into difficulties?**

Yes

No

**7.6 How safe or unsafe do you feel in your home?**

Very safe	
Fairly safe	
Neither safe or unsafe	
Fairly unsafe	
Very unsafe	

**7.7 Are you bothered by noise from day to day activities and from outside?**

## APPENDIX 5

	<i>Very often</i>	<i>Quite Often</i>	<i>Occasionally</i>	<i>Rarely</i>	<i>Never</i>	<i>Not applicable</i>
Noise overall						
Noise within your home						
Noise from neighbours						
Other noise from outside						

### 7.8 Please use this box to provide further comments

## 8. Overall Satisfaction

### 8.1 Everything considered how satisfied or dissatisfied are you with your home and surroundings?

Very satisfied	
Fairly satisfied	
Neither satisfied or dissatisfied	
Fairly dissatisfied	
Very dissatisfied	
No opinion	

### 8.2 What improvements, if any, would you suggest for future new build housing?



## APPENDIX 5

**8.3 Everything considered, do you think that your quality of life has improved since moving into your new home?**

Yes

No

**8.4 Do you feel you have the opportunity to participate in our decision making process?**

Yes

No

*Many thanks again for taking part in this survey*

## Audit File Checklist

Scheme

Task	Date Completed	Completed By	Comment
<b>Stage 1 Scheme Inception and Feasibility</b>			
Site / Scheme Appraisal Form			
Consultants 'at risk' appointments			
HDSP Board Approval (Feasibility)			
<b>Stage 2 Scheme Development</b>			
Employers Agent appointment letter and PI on file			
Architect appointment letter and PI on file			
Engineers appointment letter and PI on file			
Principal Designers appointment letter and PI			
Valuer appointment letter and PI on file			
Other consultant appoints, please list			
Legal Services SIS completed			
Planning Policy Team engaged			
Housing Team consultation			
Finance Team consultation			
Asset Management & Maintenance Team consultation			
QDF consultation			
DQR/Lifetime Homes audit			
Design Guide audit			
Create Risk Register			
Topographical Survey			
Geo-technical Survey			
Geo-environmental Survey			
Site Services Pack			
Ecological Survey			
Arboriculture Survey			
Archaeological Survey			
Party Wall Survey			
Drainage Survey			
Drainage Strategy			
Traffic Survey			
Flood Consequences Assessment			
Sprinkler design and performance specification			
Others, please list			
Scheme due diligence / surveys provided to Design Team			
Valuation received			
Financial Appraisal / Scheme Viability updated			
HDSP Board Approval (Proceed to Cabinet Report)			
Cabinet Approval received – PAC, Planning, Purchase and Procurement			
<b>Stage 3 Site Acquisition</b>			

Legal Services SIS completed			
Operational Manager (Property) instructed			
Legal Report on Title			
Vendors written acceptance of offer			
Financial Appraisal / Scheme Viability updated (acquisition)			
Legal Team confirmation of contract exchange			
Contracts Signed			
Legal Team completion statement			
Other legal documents, please list			
<b>Stage 4 Works Procurement</b>			
Procurement route determined			
Pre-tender estimate produced			
Tender documentation agreed			
Tender advertised on Sell2Wales			
Tenders received / closed			
Contractor financial checks			
Tender evaluation			
Tender Report issued			
Financial Appraisal / Scheme Viability updated (tender stage)			
Cabinet Approval for contractor selection			
Building Contract produced			
Pre-contract meeting			
<b>Stage 5 Entering into a Building Contract</b>			
Delegated Authority to enter into contract			
Contract documentation signed			
Contract Register updated			
Financial Appraisal / Scheme Viability updated (start on site)			
Planning Consent on file			
Planning Pre-commencement condition tracker available			
Section 106 Agreement or unilateral Undertaking			
Welsh Government grant application finalised			
Valuation less than 3 months old			
Contractor PCG / Performance Bond			
Structural Insurance Registration – LABC, NHBC, other			
Construction Phase Health & Safety Plan audited			
<b>Stage 6 Post Contract</b>			
Copy of F10 and H&SE notification			
Design Team Collateral Warranties available			
Sub-contractor Collateral Warranties available			
Pre-commencement Planning Conditions discharged			
Section 104/106 Agreement			
Section 38/278 Agreement			
Other Sectional Agreements, please list			
Evidence of discharge of planning conditions			
Evidence of compliance with S106 obligations			

Pre-handover meeting at 4 weeks prior to PC			
Snagging list Issued by Employers Agent			
Structural Insurance cover note available			
Structural Insurance Certification			
NICEIC electrical safety Certification			
Gas Safety Certification			
Sprinkler Test Certification			
Lift Commissioning Certification			
Fire alarm system signed off and fire certificate issued			
SAP/EPC Certificates			
Secured by Design certificate issued			
Building Regulations approval and certification			
Confirmation planning conditions discharged			
S38/278 works signed off			
S104 works signed off			
Snagging Completed and signed off			
Practical Completion Certificate			
Handover and Client Demonstrations arranged			
<b>Stage 7 Post Completion</b>			
Defects Liability period begins			
Inspection at 6 weeks before the end of Defects Liability Period			
Schedule of Defects issued to contractor			
Contractor confirmation of defect rectification			
Certificate of Making Good Defects issued			
Release remainder of retention			
Final Certificate issued			
Final Account agreed			
Scheme financial reconciliation completed			

**CERTIFICATION:**

I certify that the above Audit File Checklist relating to [ *scheme name* ] has been completed following confirmation from members of Project Team and in accordance with the Council's Housing Development Procedures.

Signed: .....

Position: .....

Date: .....

Signed: .....

Position: .....

Date: .....