

Matter which the Chairman has decided is urgent in order to ensure that Council can enter into a contractual relationship with the nominated Construction Management Company to ensure a seamless transition and avoid any unnecessary delay to the Scheme.

Meeting of:	Cabinet
Date of Meeting:	Thursday, 05 October 2023
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Agreement to enter into a Supplemental Agreement with the Developer for the Construction of New Council Apartments at Cadoxton, Barry
Purpose of Report:	To inform Cabinet of proposals to enter into a Supplemental Agreement with the Developer relating to the construction of new Council apartments in Cadoxton, Barry and appoint a Construction Management Company to continue the construction of the same scheme, with the Council acting as principal contractor.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Miles Punter, Director of Environment and Housing Services
Elected Member and Officer Consultation:	Victoria Davidson, Operational Manager – Legal Services Gemma Jones, Operational Manager - Accountancy Mike Ingram, Head of Housing and Building Services
Policy Framework:	This report is within the policy framework and budget and is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> This report advises of the intention to enter into a Supplemental Agreement with the Developer relating to the construction of new Council Apartments at Cadoxton, Barry and to seek authority going forward to manage all matters relating to the appointment of a Management Contractor and sub-contractors to recommence construction works at Cadoxton, Barry. Full financial details and details of the relevant procurement considerations are detailed in a Part II report later in this agenda and Cabinet is requested to consider these reports in conjunction. 	

Recommendations

1. That the contents of this report be noted and considered in connection with the Part II report later on the meeting agenda.
2. That Cabinet notes that the urgency procedure set out at Section 15.14 of the Council's Constitution be used in respect of recommendations contained within the Part II report.

Reasons for Recommendations

1. To allow the Part I and Part II reports to be considered together.
2. To ensure that the Council can continue to deliver the Scheme at Cadoxton, Barry.

1. Background

- 1.1 The Council entered into a package deal contract with the Developer (land and works) on 14th July, 2022, for the construction of Council apartments and associated works at Cadoxton, Barry.
- 1.2 A back-to-back land contract and a Joint Contracts Tribunal (JCT) Design and Build 2016 edition contract was signed on the same date.
- 1.3 The scheme was initially delayed due to the SAB Approval needing to be finalised and the discharge of pre-commencement planning conditions (resulting in a 9-week delay), with commencement of works on site on 16th January, 2023, with an original practical completion date of February 2024.
- 1.4 An extensive programme of enabling works has taken place during which time the developer had been finalising the costs of their Sub-contractor works packages in readiness to complete the construction works. There has resulted an increase in costs attributable to inflation (material/labour cost increases between May 2022 and August 2023) , due to initial delays in starting on site and in completion of the enabling works, which arose as a result of the challenging conditions on site.
- 1.5 As a result of the issues outlined it is proposed that the Council enters into a Supplemental Agreement with the Developer to seek authority going forward to manage all matters relating to the appointment of a Management Contractor and sub-contractors to recommence construction works at Cadoxton, Barry.
- 1.6 The Council's Strategic Housing Board is fully sighted on matters relating to this scheme.

2. Key Issues for Consideration

- 2.1** Subject to Cabinet's approval it is intended that the Council enters into a Supplemental Agreement with the Developer relating to the construction of new Council Apartments at Cadoxton, Barry.
- 2.2** It will be necessary going forward to manage all matters relating to the appointment of a Management Contractor and sub-contractors to recommence construction works at Cadoxton, Barry.
- 2.3** Full financial details and details of the relevant procurement considerations are outlined in the Part II report.

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 £510 million, towards the development of new Council homes over the next thirty years. The Housing partnership Programme would seek to complete a minimum of 486 homes over the next five years. 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.
- 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 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 several Housing Associations which make a significant contribution to housing supply in the Vale. The Housing Partnership Programme with Cardiff Council would further strengthen a regional collaborative approach. 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 2019 Local Housing Market Assessment (LHMA) highlighted the chronic shortage of

affordable housing in the Vale of Glamorgan. In assessing the housing market, 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. This assessment projects the headline annual need for affordable housing in the Vale of Glamorgan to be 890 units per annum between the years 2019 and 2024. 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:
- Meets the relevant Strategic Objective 3 of the Corporate Plan 2020-25.
 - Meets the Objectives 1-5 of the Well Being Plan 2018-23.
 - Meets all the Strategic Aims 1-4 of the Local Housing Strategy 2021-26.
 - Meets Strategic Objectives 1-4 of the Housing Development Strategy 2019-24.

4. Climate Change and Nature Implications

- 4.1** In 2019 the Council declared a 'Climate Emergency' and the Climate Change Challenge Plan was approved by Cabinet in 2021, with Project Zero being established as the Council's blueprint to become carbon neutral by 2030.
- 4.2** All new homes built after 2030, will need to be whole life zero carbon and Welsh Government will introduce regulations and grant conditions which require social landlords to account for and reduce the levels of carbon associated with the construction of new homes, prior to the 2030 target date.
- 4.3** Currently, all new homes under construction as part of the Council's Housing Development Programme will achieve Energy Performance Certificate (EPC) A rating (SAP 92+).
- 4.4** The Council's Housing Development Programme utilises Modern Methods of Construction (MMC) and timber structural solutions will predominantly be used for three key reasons:
- timber is a low carbon construction material;
 - the use of timber in construction acts as a carbon store, locking up the CO₂ sequestered by the tree whilst growing, for the lifespan of the building;
 - timber lends itself to re-use at the end of the buildings life which means the CO₂ stored as bio-genic carbon in the structure of the home is not necessarily released at the end of the homes' lifespan.

5. Resources and Legal Considerations

Financial

- 5.1 Full financial details will be addressed in the Part II Report included later on the agenda.

Employment

- 5.2 There are no new resource issues to report currently.

Legal (Including Equalities)

- 5.3 All Legal matters are set out in the Part II Report included later on in the agenda.

6. Background Papers

None.