

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 12 March 2026</b>
Relevant Scrutiny Committee:	Place Scrutiny Committee
Report Title:	Section 106 (s106) Affordable Housing – Appointment of the Vale of Glamorgan Council as Barratt Redrow’s Affordable Housing Partner for the Upper Cosmeston Farm Development, Penarth
Purpose of Report:	To seek Cabinet approval for the Vale of Glamorgan Council (“the Council”) to be appointed as the Section 106 (s106) affordable housing partner to Barratt Redrow for the Upper Cosmeston Farm development, enabling the Council to acquire and manage the affordable homes delivered on-site in accordance with planning obligations and local policy
Report Owner:	Cabinet Member for Public Sector Housing and Tenant Engagement
Responsible Officer:	Director of Environment and Housing
Elected Member and Officer Consultation:	Head of Housing and Building Services Head of Corporate Landlord Head of Sustainable Development Principal Lawyer Accountant
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"> <li>• This report recommends that the Vale of Glamorgan Council becomes the Section 106 (s106) Affordable Housing Partner for the Upper Cosmeston Farm development, delivered by Barratt Redrow under a Welsh Government (WG) contract. The development will provide 576 new homes, forming what is described as the UK’s largest net-zero carbon housing scheme, with 50% affordable housing, including 219 homes for social rent and 69 homes for Low-Cost Homes Ownership (LCHO).</li> <li>• The scheme includes a new primary school, community facilities, public open space, and an active travel route, forming a sustainable community near Penarth and Cosmeston Lakes. Homes will incorporate innovative low-carbon technologies including ground-source heat pumps, photovoltaic panels, and battery storage, with independent performance assessment led by Cardiff University.</li> </ul>	

- Acting as the s106 affordable housing partner would enable the Council to strategically deliver a significant number of new Council-owned, energy-efficient homes within a nationally significant sustainable development. This supports the Vale 2030 Corporate Strategy, particularly its commitments to community wellbeing, climate leadership, and long-term resilience.
- Approval of the recommendations will ensure that the Council secures maximum long-term social value from the development, shaping the tenure mix, quality, and affordability of housing delivered within the Vale of Glamorgan.

## Recommendations

1. That Cabinet agrees that the Vale of Glamorgan Council acts as the s106 Affordable Housing Partner to Barratt Redrow for the Upper Cosmeston Farm development.
2. That Cabinet delegates authority to the Head of Housing and Building Services, in consultation with the Cabinet Member for Public Sector Housing and Tenant Engagement and Head of Finance/Section 151 Officer, to negotiate the Heads of Terms and all necessary financial, transfer, partnership and legal agreements with Barratt Redrow.
3. On successfully concluding Recommendation 2, that Cabinet delegates authority to the Monitoring Officer/Head of Legal and Democratic Services to enter into the required legal, contractual and statutory agreements with Barratt Redrow.

## Reasons for Recommendations

1. To support the Council's strategic objective to increase the supply of new Council homes and other forms of affordable housing, as set out in the Vale 2030 Corporate Strategy and Housing Delivery Programme.
2. To enable the Council to secure the delivery of high-quality, energy-efficient affordable homes at Upper Cosmeston Farm.
3. To ensure that all agreements with Barratt Redrow are executed in an efficient manner.

## 1. Background

- 1.1 The Housing Crisis** - The Vale of Glamorgan is facing a growing housing crisis, marked by sharply rising demand for affordable homes and increasing pressure on both the rental and social housing sectors. As of March 2025, more than 7,200 households were on the Council's waiting list—up from around 6,200 a year earlier—and over 1,200 people had presented as homeless within the same 12-month period. At the same time, house prices and private rents continue to climb, with average rents rising by more than 8% annually and house prices reaching £300,000 by late 2025, among the highest in Wales. This combination of unmet need, limited supply, and affordability pressures has intensified the strain on local residents and services, highlighting the urgent need for expanded housing provision across the region.
- 1.2 Site and status** - Upper Cosmeston Farm (Penarth) has outline consent for up to 576 homes with community infrastructure, including a primary school and open space (See Appendix A – Illustrative Masterplan). The Council's Planning Committee resolved to approve the application on 21st March 2024.
- 1.3 Welsh Government position** - Welsh Government approved the sale and disposal route for the Upper Cosmeston site in November 2023, setting out a requirement that 50% of homes be affordable and that the scheme should meet demanding net zero living standards.

- 1.4 Delivery partner** - On 2nd October 2025, Welsh Government confirmed it had agreed a contract with Barratt Redrow to deliver the development as the UK's largest net-zero housing scheme, with independent monitoring by Cardiff University. The announcement stated that 50% of homes will be affordable, with 219 for social rent, alongside a new primary school, open space and an active travel route.
- 1.5 Developer Approach** - On 22nd October 2025, Barratt Redrow formally approached the Council in relation to becoming their s106 Affordable Housing partner.
- 1.6 In Principle Approval** – On 16th December 2025, the Strategic Housing Board met to further discuss Barratt Redrow's offer and agreed to refer the matter to Cabinet for formal approval.
- 1.7 Strategic Housing Context** - The Council's Housing Development Programme identifies the need to secure new affordable homes across a range of delivery routes, including s106 acquisitions, direct delivery, and strategic partnerships with major housebuilders. The Upper Cosmeston Farm scheme provides an important opportunity to increase the programme's pipeline.
- 1.8 Local affordable housing policy** - The Council's Affordable Housing Supplementary Planning Guidance (SPG) (revised April 2025) sets out the approach to securing affordable housing through s106, including mix, design standards (Welsh Development Quality Requirements (WDQR) 2021) and delivery/transfer mechanisms.
- 1.9 Local Lettings Policy** - The Council's newly approved Local Lettings Policy, agreed by Cabinet on 18th December 2025, introduces a clearer and more balanced approach to allocating homes across the county. The policy continues the use of local lettings criteria on rural exception sites and in minor rural settlements, ensuring these homes remain available to applicants with strong local connections. It also introduces a new cascade or staged approach for all other new lettings—prioritising households with both a local connection and acute housing need—before moving through successive priority groups. This approach aims to support and sustain communities while also meeting the Council's statutory duty to rehouse households in the greatest need, including those experiencing homelessness and will apply to the Upper Cosmeston Farm Development.

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

- 2.1 Planning baseline and headline obligations** - The consented scheme is for 576 homes with 50% affordable housing, a new primary school, open space and active travel links. Welsh Government later confirmed a contract with Barratt Redrow, with 219 homes for social rent within the affordable provision. The Council will need to ensure its s106 role aligns with the approved parameters and subsequent delivery agreement.
- 2.2 Local policy fit and standards** - Confirm the affordable housing offer (quantum, mix, space standards) aligns with the Vale of Glamorgan's Affordable Housing SPG

(Apr 2025) and WDQR 2021 requirements referenced therein (design, accessibility, “pepper potting”/tenure integration).

- 2.3 Tenure mix and nominations** - Lock down the tenure split (e.g. social rent vs. LCHO products) and unit size and mix based on current local need and waiting list evidence and agree allocation protocols (including local connection/cascade where applicable) and lettings plans across phases. TAN 2 emphasises clear roles for the Councils when securing long term affordable housing through s106.
- 2.4 Transfer terms, pricing and funding route** - Fix the mechanism for unit transfer to the Council—price basis (e.g., Acceptable Cost Guidance where relevant), treatment of grant (Social Housing Grant), and golden brick/turnkey vs. land led routes. The Council’s SPG sets out funding arrangements and viability handling for s106; Welsh Government practice guidance details drafting options for affordable clauses.
- 2.5 Viability review and cascade mechanisms** - Include review mechanisms (early/late stage) and cascade provisions if grant or costs shift, to protect the affordable quantum/tenure without undermining deliverability. The SPG and WG guidance provide accepted approaches and appraisal requirements.
- 2.6 Phasing, triggers and handover sequencing** - Tie affordable housing delivery phasing to market buildout with clear trigger points (by parcel or percentage), coordinated with delivery of the school, highways and active travel elements. The Council’s s106 practice highlights how obligations are secured and timed to mitigate impacts.
- 2.7 Net zero technology, whole life costs and resident affordability** - The scheme commits to ground source heat pumps, Photovoltaics (PV) and batteries to achieve net zero. Build in obligations for commissioning, warranties, repair/replacement cycles, and transparent service charge frameworks so running costs remain affordable for tenants.
- 2.8 Design quality, integration and management** - Require compliance with the masterplan/design code and best practice “tenure blind” integration. An early Design Commission for Wales (DCFW) review flagged the importance of the design code’s status and delivery discipline and this needs to be embedded through approval checkpoints and defects/quality gateways at handover.
- 2.9 Transport and community infrastructure impacts** - Local deliberations referenced Lavernock Road capacity, health and school pressures. The Council needs to ensure its s106 role is coupled to the agreed off site transport improvements and the timely delivery of community facilities to maintain local support and mitigate risk.
- 2.10 Link affordable handovers to infrastructure** - Negotiate phasing so that affordable completions coincide with school/active travel/open space milestones—minimising early occupancy without social infrastructure
- 2.11 Legal protections in the affordable housing schedule** - Standardise robust mortgagee in possession wording, disposals restrictions, clawback, and service charge caps for apartments and ensure long term management arrangements are

settled (adoption of highway/estate/communal areas, Sustainable Urban Drainage Systems (SuDS) to avoid cost shifting onto residents or the Housing Revenue Account (HRA). TAN 2 and the WG drafting guidance give tested clause structures.

- 2.12 Governance, monitoring and enforcement** - Set out clear milestones, Key Performance Indicators and reporting for affordable delivery. The Council's experience enforcing s106 at Barry Waterfront shows the value of explicit remedies and the willingness to act where obligations slip and this discipline needs to be replicated here.
- 2.13 Communications and political risk** - The project is high profile (WG describes it as the UK's largest net zero housing development). Plan proactive resident and local Member communications, highlighting affordable supply and cost of living benefits from low carbon homes to balance local concerns on traffic, services and landscape.
- 2.14 Social value policy framework** - Delivery and reporting will need to align with Welsh Government guidance (WPPN 003) under the Well-being of Future Generations and Social Partnership legislation, covering apprenticeships, local supply-chain spend, education outreach, equality and environmental benefits.

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

- 3.1 Long term** - The scheme directly contributes to long term housing need, with 50% affordable homes addressing sustained local shortages identified by Welsh Government and acknowledged in reporting on the scheme's strategic importance in tackling housing demand.
- 3.2** Its net zero design ensures homes remain environmentally sustainable for decades, reducing carbon emissions and long-term fuel poverty risks for residents.
- 3.3 How the Council's S106 role fits:** Acting as the affordable housing partner secures permanent social housing provision that will remain available to future generations.
- 3.4 Prevention** - The high proportion of affordable housing helps prevent homelessness, housing stress, and overcrowding, with 219 social rented homes guaranteed in the development.
- 3.5** Energy efficient design significantly reduces running costs, helping prevent fuel poverty long term.
- 3.6 Council contribution:** By ensuring Section 106 affordable units are managed and delivered appropriately, the Council helps prevent future socio-economic inequalities.
- 3.7 Integration** - The development integrates housing, education (new primary school), community spaces, and active travel routes—all central to wellbeing and community cohesion goals.
- 3.8** The scheme also supports Wales's climate objectives through net zero construction and energy systems.

- 3.9 Council contribution: By being the S106 partner for affordable housing, the Council ensures that its own objectives—housing supply, inequality reduction, climate change mitigation—are embedded in the development, aligning with corporate priorities.
- 3.10 **Collaboration** - The entire development is based on collaboration between Welsh Government, Barratt Redrow and the Council to deliver a flagship sustainable community.
- 3.11 Cardiff University is also independently verifying zero carbon performance, evidencing multi agency partnership working.
- 3.12 Council involvement: The Council’s collaboration as the affordable housing delivery partner reflects the cross-sector partnership approach encouraged by the Act, working jointly with a developers and government.
- 3.13 **Involvement** – The development includes community facilities and public engagement around local impacts (e.g., concerns about infrastructure, schools, traffic) that have been documented in planning and local reporting.
- 3.14 Council contribution: As the S106 affordable housing partner, the Council represents the needs of local residents—particularly those requiring social housing—and ensures community voices shape allocations and tenure mix.

**Contribution to Vale of Glamorgan Council’s Wellbeing Objectives**

While the Council’s wellbeing objectives evolve across planning cycles, the Upper Cosmeston Farm partnership strongly contributes to core themes such as:

- 3.15 **Delivering Good Quality, Affordable Homes** - The development provides 219 social rented homes, significantly increasing local supply and aligning with the Council’s ongoing objective to expand affordable housing options across the county.
- 3.16 **Supporting Safe, Sustainable and Resilient Communities** - Net zero design improves environmental resilience and public health. Active travel routes and open spaces support healthy living. Energy efficient homes reduce poverty linked to high energy costs.
- 3.17 All of this aligns with the Council’s sustainability and community wellbeing priorities, supported by the scheme’s sustainability credentials.
- 3.18 **Tackling Climate Change and Enhancing the Environment** - The largest net zero housing development in the UK directly contributes to local and national decarbonisation objectives, aligning with the Vale of Glamorgan’s environmental and climate strategies.
- 3.19 Use of renewable heat and power systems (Ground Source Heat Pump, solar PV, batteries) embeds low carbon living into the development’s design.
- 3.20 **Supporting Education and Community Infrastructure** - The inclusion of a new primary school and multifunctional community spaces supports the Council’s educational and community cohesion objectives by linking housing growth to service expansion.

**3.21 Summary** - By acting as the s106 affordable housing partner on the Upper Cosmeston Farm development, the Vale of Glamorgan Council demonstrates:

- Long term protection of affordable housing supply
- Prevention of housing need and fuel poverty
- Integration with climate, housing, community, and infrastructure objectives
- Collaboration with government, developers, and community partners
- Involvement of residents and stakeholders in shaping outcomes

## **4. Climate Change and Nature Implications**

**4.1 A flagship “net-zero” housing development (576 homes)** - The Upper Cosmeston Farm project is repeatedly described by Welsh Government and industry sources as the UK’s largest net-zero housing development, and potentially one of the largest in Europe. Homes are designed to produce as much energy as they consume, significantly reducing operational carbon emissions.

**4.2 Low-carbon heating and energy systems** - All homes will use ground-source heat pumps, photovoltaic solar panels, and battery storage, lowering both carbon emissions and resident energy bills. This is central to the climate-mitigation strategy of the development.

**4.3 Independent carbon-performance verification** - Cardiff University has been appointed to independently monitor and verify the zero-carbon performance, ensuring environmental claims are credible and sustained over time.

**4.4 Active travel and reduced car dependency** - Plans include active-travel routes, which are intended to reduce vehicle emissions by encouraging walking and cycling. However, residents and Councillors have raised concerns that increased population could worsen traffic congestion and emissions if transport interventions are insufficient.

**4.5 Land contamination risks with climate-relevant implications** - A portion of the site is a former landfill containing asbestos, arsenic, sulphate and other pollutants. Disturbance of contaminated soils could pose health and environmental risks. Welsh Government guidance notes that landfill areas will not be disturbed and the development will follow a strict Construction and Environmental Management Plan (CEMP). These legacy-pollution issues do not directly increase carbon emissions but heighten environmental-risk management requirements within a climate-sensitive development.

## **5. Resources and Legal Considerations**

### **Financial**

**5.1 Acquisition and funding** - Affordable homes transferred under s106 are typically acquired at values reflecting the agreed tenure, build specification and viability.

Funding sources may include HRA borrowing and/or Welsh Government grants such as Social Housing Grant (SHG) where eligible and aligned to programme availability. A detailed financial model and business case will be completed once Heads of Terms are agreed.

- 5.2 Revenue impacts** - Rental income (for social and intermediate tenures) and management costs will be incorporated into the HRA Business Plan. Net-zero specifications (e.g., heat pumps, PV, batteries) should reduce tenants' energy bills and contribute to tenancy sustainment; lifecycle and maintenance assumptions will be tested during due diligence.
- 5.3 Viability** - The Council will ensure that any acquisition terms remain consistent with the s106 viability envelope and SPG guidance. Where viability is a constraint, the SPG provides mechanisms to review and agree appropriate solutions.
- 5.4 Appraisal** - A full financial appraisal has been undertaken which demonstrates that the scheme is viable and compatible with the long-term HRA Business Plan.
- 5.5 HRA Business Plan** - The 30-year HRA Business Plan 2026/27, which was approved by full Council on 12th January 2026, makes a budgetary provision of £42.246 million from 2027/28 over 10-years to acquire the 288 units of on-site affordable housing at the defined SPG Transfer Value and assumed LCHO price, from Barratt Redrow.

### **Employment**

- 5.6** It may be necessary to consider additional housing management resources due to the large number of new social housing units being delivered in a single location.
- 5.7** As a new LCHO tenure option is being delivered on site, it will be necessary to consider some additional resource, either internal or external, to successfully deliver this housing tenure.
- 5.8** The development will generate numerous opportunities for apprenticeships and local labour will be pursued through partnership arrangements.

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

- 5.9 Section 106 Agreement** - The Council's appointment as affordable housing partner will be documented through the s106 planning obligation and associated legal agreements (e.g., transfer agreement, nominations agreement) which Barratt Redrow will sign with the Council as the Local Planning Authority. All obligations that Barratt Redrow will be required to meet must be in accordance with CIL Reg. 122 tests and be necessary, directly related, and fairly and reasonably related in scale and kind.
- 5.10 Standards and compliance** - Affordable homes will be built to WDQR 2021 and any WG-mandated performance requirements associated with the scheme's net-zero approach; specifications will be embedded within the transfer documents.
- 5.11 Governance** - Delegations sought will enable timely negotiation and execution of agreements consistent with the Council's Constitution and procurement requirements.

**5.12 Equalities/Social Value** - With the Council controlling allocations policy for social rent and intermediate homes at a major strategic site, advances equality of access to secure, affordable, energy-efficient housing and supports local training and apprenticeships referenced by WG and the development team.

## **6. Background Papers**

None.

