

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 28 February 2022</b>
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	<b>Housing Development Programme - Package Deal at Coldbrook Road East, Barry</b>
Purpose of Report:	To inform Cabinet of a proposal to enter into a package deal contract with Pegasus Development Ltd. for the delivery of 20no. new homes for social rent at Coldbrook Road East, Barry. (the Scheme)
Report Owner:	Cabinet Member for Housing and Building Services
Responsible Officer:	Miles Punter - Director of Environment and Housing Services
Elected Member and Officer Consultation:	Officers consulted: Nick Jones, Operational Manager, Public Housing Services Carol Price, Housing Strategy Co-ordinator Richard Stopgate, Development and Investment Manager Rachel Williams, Accountant Jocelyn Ham, Senior Lawyer Legal Services Lee Howells, Engineering Manager
Policy Framework:	This report is within the policy framework and budget and is a matter for Executive decision by Cabinet.
Executive Summary:	<ul style="list-style-type: none"> <li>This report brings to the attention of Cabinet, a proposal to enter into a package deal contract (which will include both an acquisition of land and development works) with Pegasus Developments Ltd. for the delivery of 20no. new one-bedroom walk up apartments on land at Coldbrook Road East, Barry.</li> </ul>

## **Recommendations**

- 1.** That Cabinet notes the proposal to enter into a package deal contract with Pegasus Developments Ltd. for the delivery of 20no. new one-bedroom apartments on land at Coldbrook Road East, Barry.
- 2.** That Cabinet notes the requirement to take formal decisions on the progression of the above proposal, as part of the wider considerations detailed in the Part II report later in the agenda.

## **Reasons for Recommendations**

- 1.** To advise Cabinet of the intention to increase the supply of new Council owned homes.
- 2.** To ensure decisions are made to progress this proposed development of new Council owned homes.

### **1. Background**

- 1.1** The Council is seeking to expand its housing stock and satisfy local housing need through the commissioning of new properties as a new development initiative. The principle of developing new homes was established by the Council following a Cabinet meeting on 11 August 2014 (C2439) and sites across the Vale of Glamorgan were considered for development.
- 1.2** In the context of housing development, a package deal contract is essentially a land plus construction works contract bundle offered by a single developer, who has exclusive rights to a site, by virtue of ownership, legal interest and / or, a valid planning consent for the development and is prepared to develop the site.
- 1.3** In this instance, Pegasus Developments Ltd. has acquired land at Coldbrook Road East and is in the process of obtaining planning consent to develop the land for affordable housing. Once planning consent is granted, the land will be transferred to the Council and construction will commence.
- 1.4** The package deal contract with Pegasus Developments Ltd. proposes the delivery of 20no. much needed one bedroom two-person general needs apartments.
- 1.5** Pegasus Developments Ltd. have submitted a detailed planning application registered as (2021/01743/FUL) for the Scheme on the 13th December 2021, for the development of 20no. affordable housing units.
- 1.6** Pegasus Developments Ltd. have also appointed a local contractor to construct the new affordable homes, subject to obtaining Cabinet approval to proceed.

- 1.7 The Strategic Housing Board at its meeting on the 3rd September 2021 agreed to progress the Scheme for a Cabinet approval to enter into a package deal contract, with Pegasus Developments Ltd.

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

- 2.1 The need to provide additional one-bedroom apartments is a high priority for the Council and these new homes will be let at rents in line with the Council's rent policy, making the homes affordable for those in need. Consultation will continue with officers from Housing Solutions, Highways, SUDS Approval Body and Planning to ensure that the final Scheme proposals meet objectives of the Council's Local Housing Strategy and Housing Development Strategy.
- 2.2 The Housing Development Team has undertaken an initial Development Viability Appraisal for the Scheme, using a rent for a comparable property type within the Ward and the standard assumptions contained within Housing Business Plan 2021/22.
- 2.3 The Housing Development Team considers the Scheme to be viable, meeting the Council's agreed Development Appraisal Criteria, if Social Housing Grant is secured or, failing that a gap funding contribution is made from the S106 Affordable Housing Contributions.
- 2.4 The Scheme layout is provided at APPENDIX A, with the contextual elevation and layouts provided at APPENDIX B and C.
- 2.5 The one-bedroom apartments have a gross internal area of 52 M2 and will be constructed to achieve Welsh Government DQR 2021, Lifetime Homes and Secured by Design standards. Potential residents will be offered accommodation from the housing waiting list via the Council's Homes4U scheme.
- 2.6 Pegasus Developments Ltd are currently delivering a package deal development for the Council at Hayes Road, Barry on time and on budget.

## **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 £234 million, towards the development of new Council homes over the next thirty years. The Council plans to complete a minimum of a 500 new Council homes by 2026. 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.

- 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 that 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 2019 Local Housing Market Assessment (LHMA) highlighted the chronic shortage of affordable housing in the Vale of Glamorgan. 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. 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 2015-20  
Meets Strategic Objectives 1-4 of the Housing Development Strategy 2019-24.

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

### **Financial**

- 4.1** Full financial details will be addressed in the Part II Report included on the Agenda.

## **Employment**

**4.2** There are no other resource issues to report at this time.

## **Legal (Including Equalities)**

- 4.3** In general terms, section 120 of the Local Government Act 1972 enables the Council to acquire land for either (a) the benefit, improvement or development of its area or (b) for any of its functions under any enactment and section 17 Housing Act 1985 enables the Council as local housing authority to acquire properties or land for housing accommodation.
- 4.4** In order to deliver this particular Scheme, it will be necessary for the Council to enter into a package deal contract with Pegasus Development Ltd which will involve agreeing and completing a contract for the purchase of the land to be developed and entering into back-to-back JCT Design and Build contract for the Scheme works. It will also be necessary to enter into other forms of agreement with statutory undertakers etc. The package deal contract will be conditional on Pegasus Development Ltd obtaining planning permission for the development.
- 4.5** Generally, a land plus works package will be considered a public works contract and will therefore be subject to the Public Contract Rules 2015 (PCR 2015) unless an exemption applies, or the value of the contract is below the de minimis threshold which applies to public works contracts. As at 1 January 2022 the revised threshold for public works contracts for the purposes of the PCR 2015 was c. £5.3 million.
- 4.6** The Council has previously taken external specialist legal advice regarding its overall approach to this type of scheme and has been advised that the Council can lawfully enter into a package deal type contract, without advertisement or competition, in circumstances where the Scheme remains below the public works contract threshold or where an exemption applies to the Scheme in accordance with Regulation 32(2)(b)(iii) of the PCR 2015. Both criteria apply to this Scheme.
- 4.7** Furthermore, and for completeness and to mitigate the risk of challenge, it is advised that the Council publish a voluntary ex-ante transparency ("VEAT") notice in respect of the proposed package deal contract.
- 4.8** The Housing Development Team will continue to liaise with Legal Services and Procurement on all legal and procurement aspects and matters concerning the Scheme.
- 4.9** In terms of equalities, there will be training opportunities offered as part of the main works contract and in accordance with the Welsh Government's 'Value Wales' Toolkit.

## **5. Background Papers**

None.

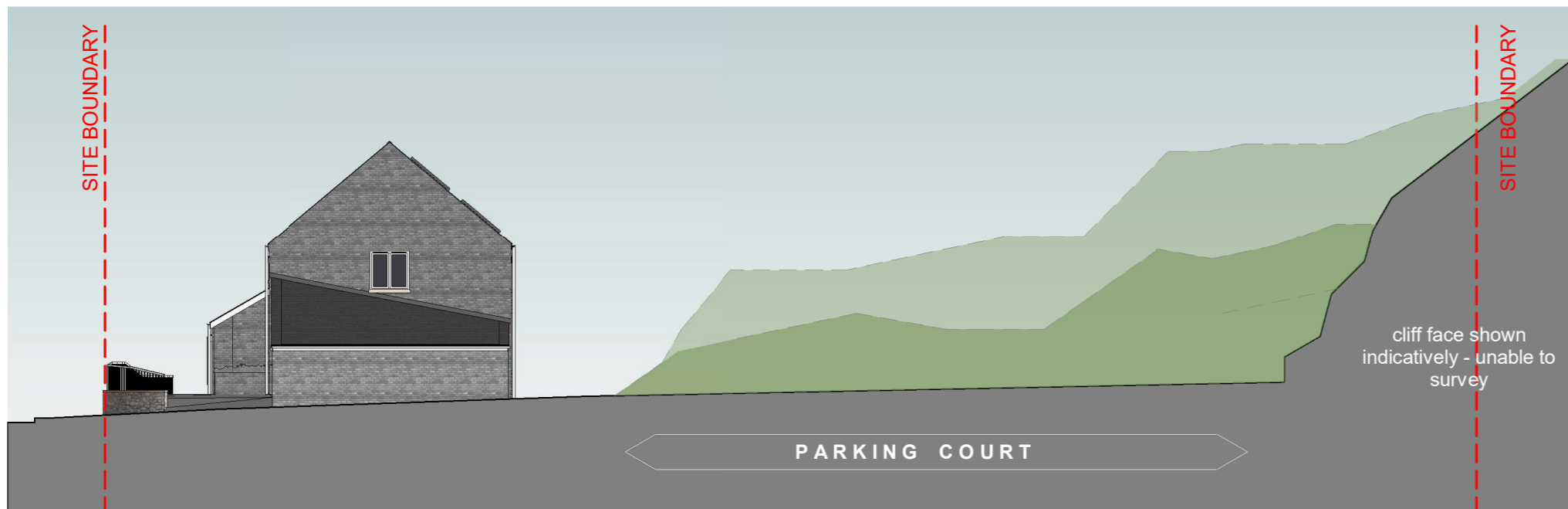




**01\_Terrace A\_Proposed Front Elevation**  
1 : 200



**02\_Terrace A\_Proposed Rear Elevation**  
1 : 200



**03\_Terrace A\_Proposed Side Elevation**  
1 : 200

**Material Key:**

- 1: Facing masonry - (Grey) Brickwork
- 2: External through colour render (White)
- 3: External through colour render (Mushroom)
- 4: Beige re-con stone cills
- 5: uPVC (white) double glazed windows / doors
- 6: uPVC (white) rainwater goods
- 7: Lias limestone faced boundary wall
- 8: Metal balustrade guarding 1100mm high (min)
- 9: Slate effect grey roof tiles
- 10: Poltovoltaic pannels (roof mounted)



Rev	Status	Date	Check	Description
P1	S0	01.12.20	RC	Drawing updated for Planning Submission

**HolderMathias**architects

T +44 (0) 20 7287 0735  
www.holdermathias.com  
London Cardiff Munich

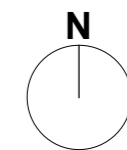
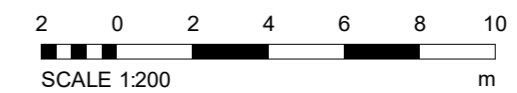
Project  
Land at Coldbrook Road East, Cadoxton  
Coldbrook Road, Barry  
Pegasus Developments Ltd.

Title  
Terrace A\_Proposed Elevations

Job No 4586 As indicated Scale at A2 Status Rev. Ext. Int. S0 P1

Project Originator Zone Level Type Role Sheet  
CBRB -HMA - ZZ - XX - DR - A - 00201

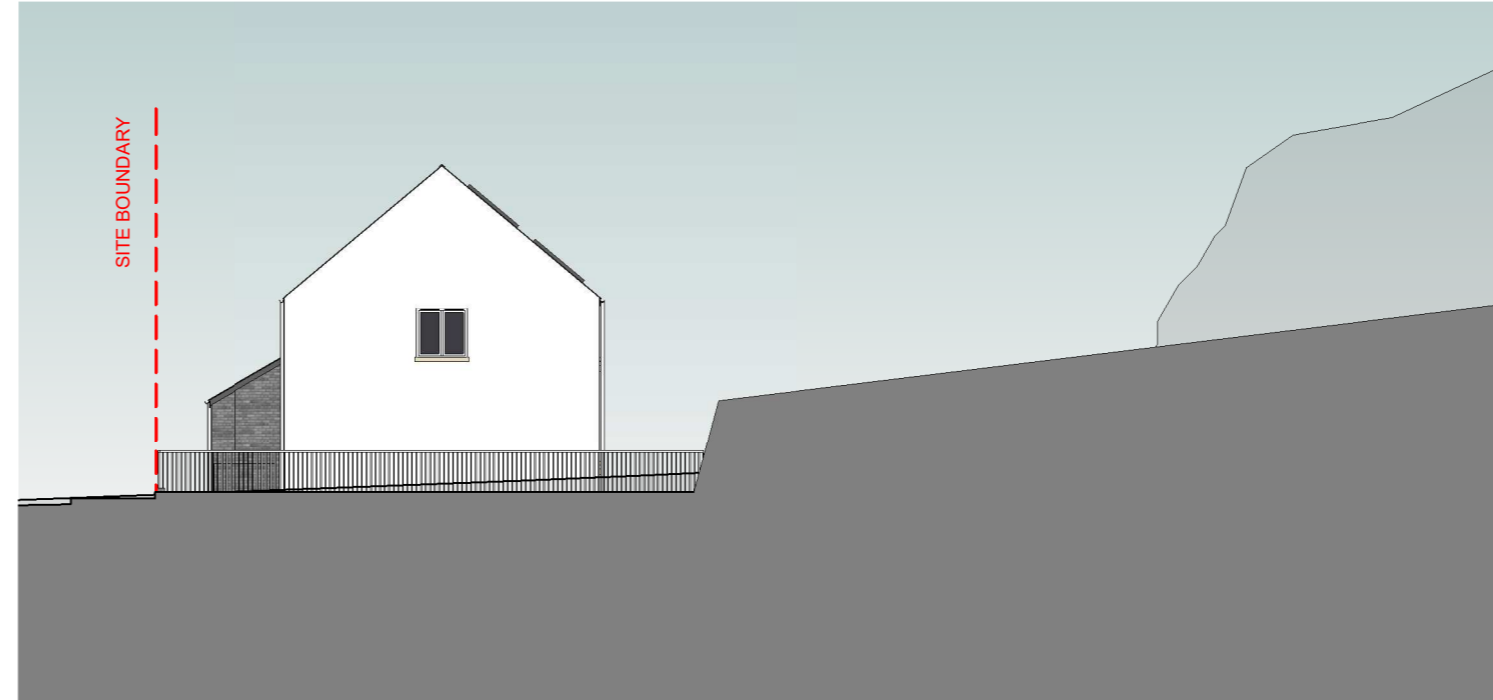
ISO 14001 : 2015 ISO 9001 : 2015 RIBA Chartered Practice  
Please consider the environment before printing this document  
Refer to dimensions where provided - do not scale from this drawing







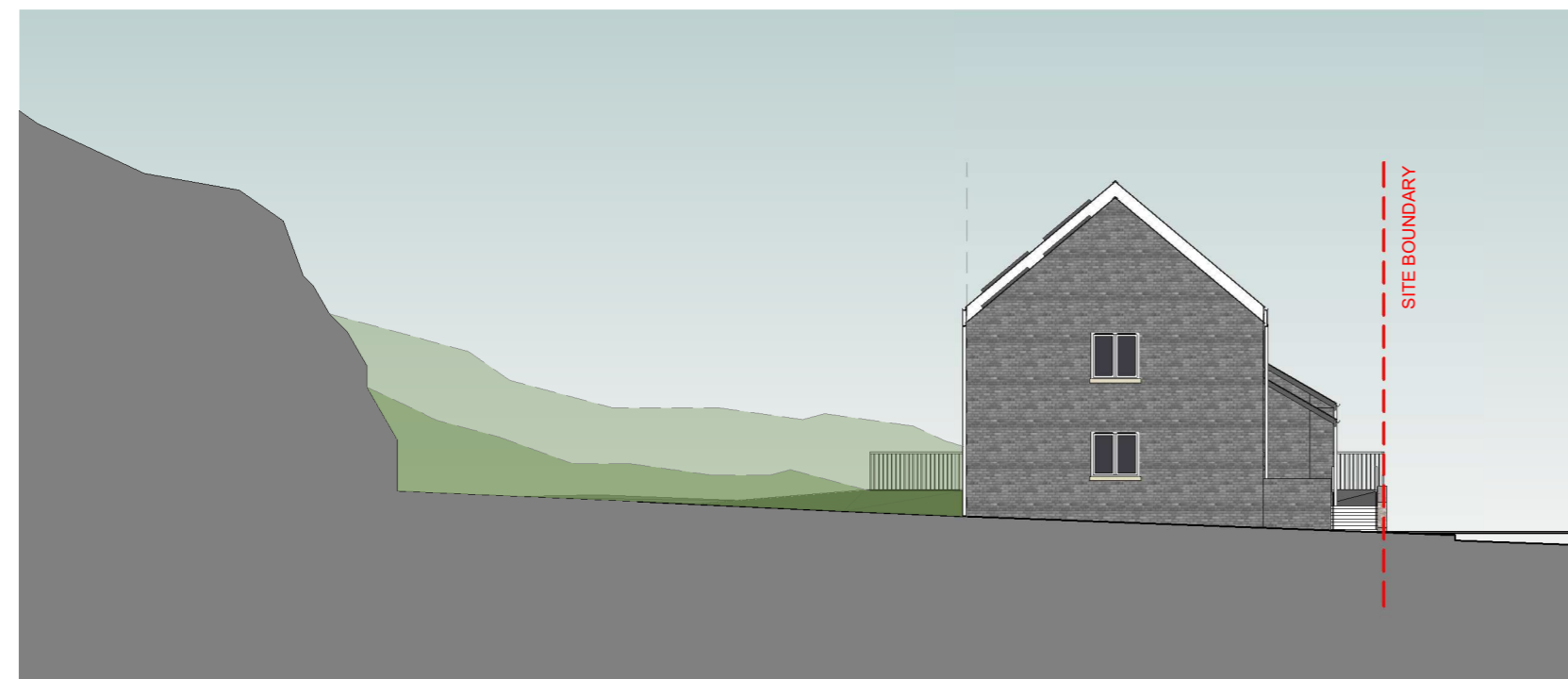
**01\_Terrace B\_Proposed Front Elevation**  
1 : 200



**04\_Terrace B\_Proposed Side Elevation**  
1 : 200



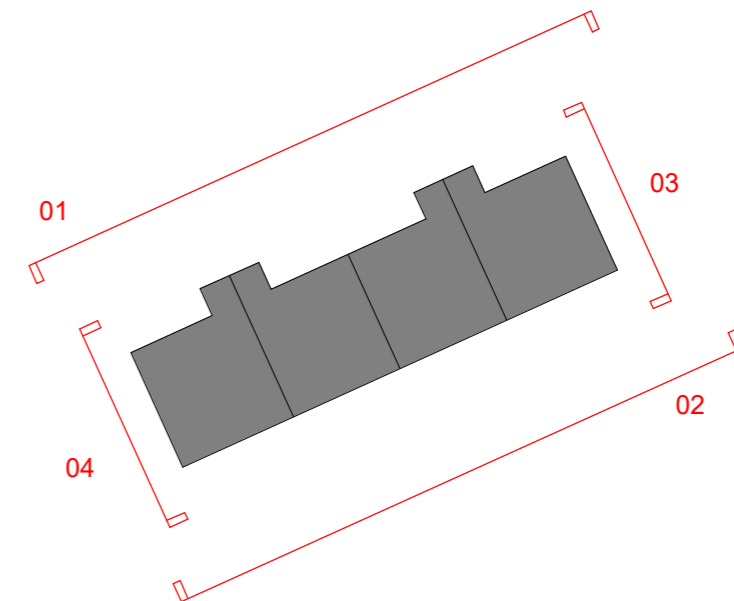
**02\_Terrace B\_Proposed Rear Elevation**  
1 : 200



**03\_Terrace B\_Proposed Side Elevation**  
1 : 200

**Material Key:**

- 1: Facing masonry - (Grey) Brickwork
- 2: External through colour render (White)
- 3: External through colour render (Mushroom)
- 4: Beige re-con stone cills
- 5: uPVC (white) double glazed windows / doors
- 6: uPVC (white) rainwater goods
- 7: Lias limestone faced boundary wall
- 8: Metal balustrade guarding 1100mm high (min)
- 9: Slate effect grey roof tiles
- 10: Polytovoltaic pannels (roof mounted)



P1	S0	01.12.20	RC	Drawing updated for Planning
		21		Submission
Rev Status	Date	Check	Description	

**HolderMathias**architects

T +44 (0) 20 7287 0735  
www.holdermathias.com  
London Cardiff Munich

Project  
Land at Coldbrook Road East, Cadoxton  
Coldbrook Road, Barry  
Pegasus Developments Ltd.

Title  
Terrace B\_Proposed Elevations

Job No	Scale at A2	Status	Rev.	Ext.	Int.
4586	As indicated	S0			P1

Project	Originator	Zone	Level	Type	Role	Sheet
CBRB -HMA - ZZ - XX - DR - A - 00203						

ISO 14001 : 2015 ISO 9001 : 2015 RIBA Chartered Practice  
Please consider the environment before printing this document  
Refer to dimensions where provided - do not scale from this drawing