

Meeting of:	Cabinet
Date of Meeting:	Thursday, 06 June 2024
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Housing Development Programme – Land at Upper Cosmeston Farm, Penarth
Purpose of Report:	<p>To advise Cabinet of a proposal to submit a bid to Welsh Government to acquire and develop the land at Upper Cosmeston Farm in partnership with Newydd Housing Association, United Welsh Housing Association and Edenstone Homes.</p> <p>To also advise Cabinet of a proposal to form a Limited Liability Partnership with the afore mentioned partners, to facilitate the delivery of the development proposals if selected as Welsh Government’s preferred bidders.</p>
Report Owner:	Cabinet Member for Public Sector Housing and Tenant Engagement
Responsible Officer:	Miles Punter - Director of Environment and Housing Services
Elected Member and Officer Consultation:	<p>Officers consulted:</p> <p>Matt Bowmer, Head of Finance/Section 151 Officer Gemma Jones, Operational Manager Accountancy Victoria Davidson, Operational Manager Legal Services Mike Ingram, Head of Housing and Building Services</p>
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"> • Having been successful at the Expression of Interest stage and in accordance with the Emergency Powers decision taken on 10th January, 2024 this report brings to the attention of Cabinet a proposal to submit a bid to Welsh Government to acquire and develop Land at Upper Cosmeston Farm, in conjunction with our Consortium members Newydd Housing Association, United Welsh Housing Association and Edenstone Homes. • The report also brings to the attention of Cabinet a proposal to establish a Limited Liability Partnership (LLP) with the Consortium members, to facilitate the delivery of the development proposals if selected as Welsh Government’s preferred bidder. 	

Recommendations

1. That Cabinet notes the proposal to submit a collaborative bid with Partners to Welsh Government to acquire and develop for housing, land at Upper Cosmeston Farm, Penarth.
2. That Cabinet notes the proposal to form a Limited Liability Partnership (LLP) with Partners, if selected as Welsh Government's preferred bidders.
3. 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.
4. That Cabinet agrees to the use of the urgency procedure, as set out at Section 15.14 of the Council's Constitution, in respect to Recommendations 1-3 of the associated 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 advise Cabinet of the need to form a legal entity to deliver proposed development.
3. To ensure decisions are made to progress this proposed development of new Council owned homes.
4. To ensure that Council can submit an appropriate bid to Welsh Government for the Land at Upper Cosmeston Farm, Penarth by the deadline of midday on 7th June, 2024.

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 11th August, 2014 (C2439) and sites across the Vale of Glamorgan were considered for development.
- 1.2 The Council and its Affordable Housing Partners, Newydd Housing Association and United Welsh Housing Association (the Consortium) have been collaborating over the past 6 months, with the intention to establish a Limited Liability Partnership (LLP) to deliver a development opportunity at Upper Cosmeston Farm, Penarth.

- 1.3 On 23rd November, 2023 the Strategic Housing Board gave their approval for the Council to submit an Expression of Interest collaboratively with the other Consortium members, subject to Cabinet Approval or the use of Emergency Powers in lieu of Cabinet Approval.
- 1.4 As it had not been possible to prepare a full Report for wider consultation and submission as part of the Cabinet cycle for January 2024, and in order to meet the deadline to submit and Expression of Interest to develop land at Upper Cosmeston Farm, Penarth by 12:00 on the 29th January, 2024, the use of Emergency Powers were requested.
- 1.5 This opportunity came to the market on 24th November, 2023, with Welsh Government seeking Expressions of Interest (Stage 1) from a suitable development partner(s) by 12:00 on 29th January, 2024.
- 1.6 On 6th December, 2023, the Consortium received presentations from three developer / housebuilders, with Edenstone Homes being successful and invited to become the fourth member of the Consortium.
- 1.7 Edenstone Homes are a Welsh owned SME (not a PLC) based in Magor with annual turnover of £90+million. They have an impressive portfolio of large-scale mixed tenure developments under construction and can demonstrate the successful delivery of large developments in Wales, with a 300-unit development at Parc Ceirw Garden Village in Swansea.
- 1.8 An Expression of Interest was submitted on 29th January, 2024 and was successful, with Welsh Government inviting the Consortium to submit a final tender/bid by 7th June, 2024 (Stage 2).

2. Key Issues for Consideration

- 2.1 Legal advice has been obtained from external Solicitors commissioned by the Partners, which considered a range of legal structures that could be used to establish a Joint Venture and a Limited Liability Partnership (LLP) is considered to be the most advantageous (as set out in the Part II report).
- 2.2 Welsh Government's vision for the Land at Upper Cosmeston Farm states:

"A high quality 'Garden by the Sea' community where a diverse range of people live, learn and work; which prioritises walking and cycling, achieves net zero operational energy standards and protects, enhances and celebrates the natural features of the site. A safe place which invites residents and visitors to coalesce at the connected key spaces which navigate through the site's topography along two predominant links; from the coast to Cosmeston Lakes

and, the Southern Gateway to Penarth and Cardiff via National Cycle Route 88”.

- 2.3 As the Land at Upper Cosmeston Farm requires the development of circa 576 new homes, it is important to ensure that the scheme provides a healthy mix of tenure options with a view to establishing a sustainable community.
- 2.4 The Council’s Affordable Housing Supplementary Planning Guidance requires that any development in the Penarth area deliver 40% affordable housing (incorporating a mix of social rent and LCHO). However, Welsh Government require that any potential development partner deliver 50% affordable on the site.
- 2.5 The Affordable Housing element of the development is intended to combine general needs social rent (possibly including older persons), intermediate rented homes, shared ownership and / or low-cost home ownership. The remainder of the development is proposed as market sale. It is expected that the affordable housing will be self-funded through the profits on the sale of the market housing.
- 2.6 Welsh Government’s other aspirations for the development of the site include:
 - Embrace reduction in carbon (both in-use and embodied carbon) and increased energy efficiency. Utilising renewable energy sources and working toward a zero-carbon development.
 - Utilisation of Modern Methods of Construction (MMC), including embracing Off-Site manufacturing, with an emphasis on utilising Welsh products and suppliers.
 - Ensure adequate space standards are achieved throughout the development and comply with the WDQR 2021 minimum floor areas across all tenures.
- 2.7 Welsh Government received Outline Planning Consent for the land at Upper Cosmeston Farm (subject to the Section 106 Legal Agreement) on 23rd March, 2024.
- 2.8 Welsh Government’s Illustrative Master Plan of the proposed development is attached at Appendix A.

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 £920 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 2028. 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 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. 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 draft 2023 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 1,075 units per annum between the years 2023 and 2028. 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. Climate Change and Nature Implications

- 4.1** Welsh Government require that all homes achieve a minimum of EPC A (SAP 92+) but has an aspiration that the development will achieve Net Zero Carbon in Operation.
- 4.2** The consortium intends to set out in its final tender/bid, several Carbon Reduction/Sustainability options that achieve a minimum achieve EPC A rating, but also enhancements that include the AECB Carbon Lite Standard and Net Zero Carbon.
- 4.3** However, the enhanced Carbon Reduction/Sustainability options will have an increased cost to the LLP and will mean a reduction to the land value offered to Welsh Government.

5. Resources and Legal Considerations

Financial

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

Employment

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

Legal (Including Equalities)

- 5.3** It is important to note that the Council's primary or dominant purpose in establishing an LLP arrangement with the other Consortium members is to increase the supply of Council and affordable housing. It must be recognised that any commercial element is incidental and ancillary and not for a separate purpose.
- 5.4** On the dissolution of the LLP, any profit will be equally distributed amongst the members, with Council re-investing its share in future Council housing development or, to upgrade the existing housing stock.
- 5.5** In establishing the LLP, the Council relies upon its powers under the General Power of Competence under the Local Government and Elections (Wales) Act 2021.
- 5.6** When relying on this power, the Regulations (GPOC (Commercial Purpose) (Conditions) (Wales) Regulations 2021) conditions includes the requirement to prepare a business case in support of the proposed exercise of the general power

and approval of it, the requirement as to content is set out in 2(2) of the Regulations.

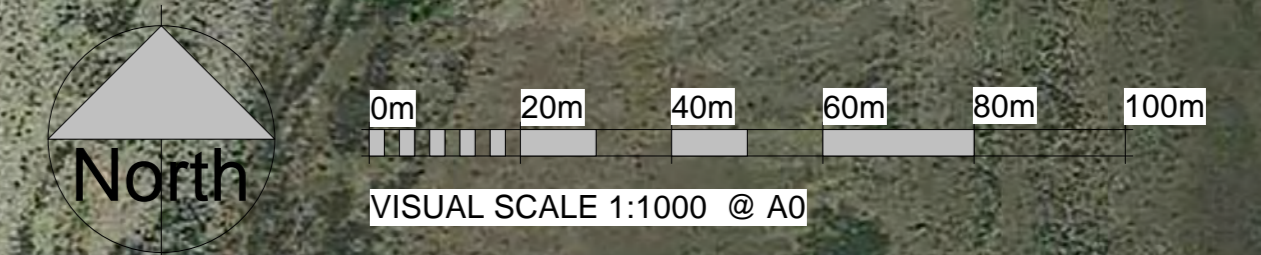
- 5.7** The Housing Development Team will continue to liaise with Legal Services and Procurement on all legal and procurement aspects and matters concerning the Scheme.
- 5.8** Equalities - there will be training opportunities offered as part of the main works contract and in accordance with the Welsh Governments 'Value Wales Toolkit'.

6. Background Papers

None.



Illustrative Masterplan



KEY

- 1. Primary School
- 2. LAP (Local Area for Play) approx. area 120m² each (5x)
- 3. LEAP (Local Equipped Area for Play) 01-1100m², 02-620m², 03-570m²
- 4. NEAP (Neighbourhood Equipped Area for Play) approx. area 1400m²
- 5. Outdoor GYM
- 6. Cycle Path
- 7. Water Feature: Attenuation Ponds or Reed Beds
- 8. Hedgerow
- 9. New Coastal Path
- 10. Public Space - Limestone Square
- 11. Community Gardens & Orchards
- 12. Coastal Park
- 13. Sweals & Rain Gardens
- 14. Bus Stop
- 15. Bicycle Hire (Indicative)
- 16. Pedestrian Cyclist Crossing
- 17. Public Art/Dormice Bridge - Marconi Crossing
- 18. Community Sport Pitch
- 19. Hedgerow maintained at lower height (1-1.5m)
- 20. Lower Cosmeston Farm - community, educational or commercial use

Proposed
SEN School

Rev	Description	Author	Check	Date
01	Issue for Approval	TS	TS	02.05.19
02	Issue for Approval	TS	TS	02.05.19
03	Issue for Approval	TS	TS	02.05.19
04	Issue for Approval	TS	TS	02.05.19
05	Issue for Approval	TS	TS	02.05.19
06	Issue for Approval	TS	TS	02.05.19
07	Issue for Approval	TS	TS	02.05.19
08	Issue for Approval	TS	TS	02.05.19
09	Issue for Approval	TS	TS	02.05.19
10	Issue for Approval	TS	TS	02.05.19
11	Issue for Approval	TS	TS	02.05.19
12	Issue for Approval	TS	TS	02.05.19
13	Issue for Approval	TS	TS	02.05.19
14	Issue for Approval	TS	TS	02.05.19
15	Issue for Approval	TS	TS	02.05.19
16	Issue for Approval	TS	TS	02.05.19
17	Issue for Approval	TS	TS	02.05.19
18	Issue for Approval	TS	TS	02.05.19
19	Issue for Approval	TS	TS	02.05.19
20	Issue for Approval	TS	TS	02.05.19

Drawn	TS	Austin-Smith Lord LLP
Date	02.05.19	Architects Designers Planners
Scale	@ A0	Landscape Architects
Status	S1	www.austin-smith.com

Austin-Smith Lord	
Project	Upper Farm Common
Description	Illustrative Masterplan
Job No.	318254
Drawing No.	
Revision	