

Meeting of:	Cabinet
Date of Meeting:	Thursday, 28 November 2024
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Housing Development Programme – Forecast Final Account for the Development of Heol Croeso Temporary Accommodation Project, Llantwit Major
Purpose of Report:	To inform Cabinet of a proposal to agree the Forecast Final Account with Wates Residential Ltd (Wates) after the completion of the contract to deliver the Heol Croeso Temporary Accommodation Project at Llantwit Major (the Scheme).
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:	Mike Ingram, Head of Housing and Building Services Matt Bowmer, Head of Finance/Section 151 Officer Victoria Davidson, Head of Legal and Democratic Services/Monitoring Officer Gemma Jones, Operational Manager – Accountancy Rachel Williams, 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"> • This report brings to the attention of Cabinet, a proposal to agree the Forecast Final Account with Wates Residential Ltd after the completion of the Scheme. • The Forecast Final Account relating to the Scheme has been reviewed and verified by the Council's Employers Agent/Cost Consultants RPA Ltd. 	

Recommendations

1. That Cabinet notes the proposal to agree the Forecast Final Account with Wates Residential Ltd for the completion of the Scheme.
2. That the requirement for Cabinet 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 be agreed.

Reasons for Recommendations

1. To advise Cabinet of the intention to agree the Forecast Final Account with Wates Residential Ltd.
2. To ensure decisions are made to conclude all financial matters relating to the completion of the contract.

1. Background

- 1.1 Wates were appointed on 10th January 2023 as main contractor by way of a JCT Design and Build 2016 edition contract, to deliver a scheme of 90 units of factory built, modular temporary accommodation and associated works, on the site of the former Eagleswell Primary School, Llantwit Major.
- 1.2 The modular homes providers engaged by Wates were @Home Ltd based in Nottinghamshire and Beattie Passive Ltd (BPL) based in Norwich.
- 1.3 BPL were to supply and site 34no. units and @Home Ltd were to supply and site the remaining 56no. units.
- 1.4 After dealing with some pre-construction matters and challenging ecological issues, Wates started site enabling works on 3rd June 2023 and Practical Completion of the project was expected on 5th April 2024.
- 1.5 On 11th March 2024, the Operational Manager – Housing Development was made aware of impending insolvency of BPL, with the Strategic Housing Board meeting on 14th March 2024 to discuss the matter and the likely contractual, reputational and financial implications for the Council.
- 1.6 On 25th March 2024 BPL entered voluntary administration, with 12no. modular homes still under construction in their Norwich factory.
- 1.7 These modular homes were recovered by @Home Ltd and transported to their Nottinghamshire factory for their subsequent completion and delivery to site.

- 1.8 In recovering from the insolvency of BPL, the Scheme was delayed by six and a half months, with Wates finally achieving Practical Completion finally on 23rd October 2024.
- 1.9 Having achieved Practical Completion, there is a need to agree the Forecast Final Account with Wates in order that the financial matters relating to the insolvency of BPL Ltd and its effect on the construction programme can be resolved.

2. Key Issues for Consideration

- 2.1 Full key issues for consideration will be addressed in the Part II Report included on the Agenda.

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 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 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 1-3 of the Well Being Plan 2023-28

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 There are no climate and nature implications to consider relating to the title of this report.

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 Legal matters will be addressed in the Part II Report included on the Agenda.

6. Background Papers

None.