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Award

Development of a Package Deal for the provision of affordable housing in Pembroke Dock

Pembrokeshire County Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2025/S 000-006519

Procurement identifier (OCID): ocids-h6vhtk-04e5d4

Published 21 February 2025, 9:10am

Section I: Contracting authority/entity

I.1) Name and addresses

Pembrokeshire County Council

County Hall, Haverfordwest

Pembrokeshire

SA61 1TP

Contact

Diane Hughes

Email

diane.hughes@pembrokeshire.gov.uk

Telephone

+44 1437775640

Country

United Kingdom

NUTS code

UKL14 - South West Wales

Internet address(es)

Main address

<https://www.pembrokeshire.gov.uk>

Buyer's address

https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0255

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Development of a Package Deal for the provision of affordable housing in Pembroke Dock

Reference number

PROC/2425/047

II.1.2) Main CPV code

- 45211100 - Construction work for houses

II.1.3) Type of contract

Works

II.1.4) Short description

Pembrokeshire County Council (the Council) has identified a development opportunity at the former Cleddau Bridge Hotel site at Pembroke Dock (the Site) which it considers suitable to deliver housing on.

The Site was up for sale for some time but has been purchased from a third party by Port Talbot Developments SPV1 Ltd (PTDSPV), a company which is 100% owned by Castell Group Limited (CGL) and which has recently obtained planning permission for the site. CGL is 80% owned by Property Brothers Limited and 20% owned by Clive Hill Ltd. Property Brothers Ltd is 100% owned by Dorian Payne. CGL has approached the Council with a proposal for bringing about development of the Site as described in this notice.

CGL's proposal is that, CGL's delivery arm, Castell Construction Ltd (CCL) which is 80% owned by Dorian Payne and 20% by Clive Hill Ltd will develop the Site for affordable and social housing (circa 35 units) to Welsh Design Quality Requirements (WDQR) standard.

Continued in II.2.4

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £10,053,740

II.2) Description

II.2.2) Additional CPV code(s)

- 45100000 - Site preparation work
- 45112700 - Landscaping work
- 45210000 - Building construction work
- 45211000 - Construction work for multi-dwelling buildings and individual houses
- 45211300 - Houses construction work
- 45211341 - Flats construction work
- 45213316 - Installation works of walkways
- 45233100 - Construction work for highways, roads
- 45233161 - Footpath construction work
- 71000000 - Architectural, construction, engineering and inspection services
- 71220000 - Architectural design services
- 71240000 - Architectural, engineering and planning services
- 71251000 - Architectural and building-surveying services
- 71400000 - Urban planning and landscape architectural services
- 71500000 - Construction-related services
- 71540000 - Construction management services
- 71530000 - Construction consultancy services
- 71247000 - Supervision of building work

II.2.3) Place of performance

NUTS codes

- UKL14 - South West Wales

II.2.4) Description of the procurement

CGL requires the Council to (i) agree and complete a contract for the purchase of the Site from PTDSPV; and (ii) immediately following its acquisition of the Site, enter into a JCT Design and Build contract (the 'Contract') with CCL for the delivery of housing on the Site subject to compliance with planning permission dated 13th December 2024, ref 24/0724/PA.

The arrangement will result in the Council placing a legally enforceable obligation on CCL to commence and deliver housing on the Site in accordance with agreed specification requirements as set out in the Contract, which the Council will pay CCL for. The Council will take ownership of the completed housing outputs to be delivered on the Site

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2.14) Additional information

The Council, relying on Regulation 32(2)(b)(iii) of the Public Contracts Regulations 2015 (PCR) intends to award a contract to CCL for the delivery of housing on the Site (as described in this notice). Further information on this is set out in Annex D1.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - protection of exclusive rights, including intellectual property rights

Explanation:

The Council has a corporate priority that aims to increase the supply of affordable housing

and social homes and is seeking to expand its housing stock to satisfy local housing need. The Council considers the need for social and affordable housing in the development area to be significant and that the proposed transactions with PTDSPV and CCL will help the Council to meet housing demand. Furthermore, delivering the housing on the Site as described in this notice will assist the Council to meet its own homes targets as well as the targets set by Welsh Government.

In recent years the Council, when conducting procurement exercises to appoint contractors to deliver residential developments on Council-owned land, has experienced a lack of interest from the market, with there being no bids received or any bids not being viable. Attracting a new contractor, such as CGL/CCL, to Pembrokeshire, which specialises in social housing builds with a proven track record of delivering such homes across Wales to WDQR standards is highly desirable, given that the Council has struggled to attract housing contractors to the local market previously.

The Council considers that there is limited availability of land/suitable sites in the Local Development Plan within Pembroke / Pembroke Dock which are designated to allow for residential development of this scale and without significant site challenges that impact development viability. For this reason, the proposed development is only capable of being delivered on the Site.

The proposal by CCL is for a development programme of 18 months]). CCL estimates commencing the development in April 2025, which would mean completion in early 2027. The speed of delivery is particularly attractive to the Council because of the extreme housing need currently being experienced across the county. The Council currently has a significant spend on long term bed and breakfast accommodation approx. 3mGBP p.a. to house homeless residents. This level of spend is unsustainable and therefore there is a pressing need to accelerate the delivery of affordable homes.

Continued in VI.4.3)

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Contract No

PROC/2425/047

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

21 February 2025

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Castell Construction Ltd

Unit 5, Dyffryn Court

Swansea

SA70AP

Telephone

+44 7591568387

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

Yes

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession: £10,053,740

Section VI. Complementary information

VI.3) Additional information

The estimated value in II.2.7 and V.2.4 represents the estimated value of the works which will be the subject of the JCT Design and Build contract with CCL.

The date in V.2.1) refers to the date on which the decision to enter into the build contract was made by the Director of Social Services and Housing following delegation by Cabinet on the 4th April 2024. A decision on whether or not to purchase the Site was delegated to the Assistant Chief Exec but is subject to a valuation exercise which is not likely to be completed until around 6 March 2025. As such, the final decision to proceed with the arrangements (as described in this notice) is not expected to be made until on/after 6 March 2025.

(WA Ref:148311)

VI.4) Procedures for review

VI.4.1) Review body

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079477501

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

In accordance with Regulation 88 - 104 (Enforcement of duties through the Court) of the PCR.

Continued from Annex D1.

The Council does not consider that a reasonable alternative to CGL's proposal exists which would result in the Council securing the development of a moderately sized (for Pembrokeshire) affordable housing development at pace. Furthermore, the lack of available (and suitable) land within the locality to deliver the proposed housing by an alternative contractor presents a real obstacle. As such, the Council does not consider that it is possible for the development to be delivered by anyone other than CGL/CCL.

As set out in this notice, the Council intends to purchase the Site from PTDSPV and immediately afterwards enter into a construction works contract with CCL for the delivery of housing on the Site. The opportunity offered to the Council by the Castell group comprises the following two linked transactions: (i) the purchase of the Site by the Council from PTDSPV; and (ii) the award of a works contract by the Council to CCL, these being inseparable components of the transaction, representing a "package deal" contract which can only be delivered by CCL.

For the reasons set out in this notice the Council considers that only CGL/CCL would be able to deliver the works because of the need to protect exclusive rights (given PTDSPV's ownership of the Site and CGL's controlling interest in PTDSPV) and that no reasonable alternative or substitute exists.