



CABINET - 16TH NOVEMBER 2022

SUBJECT: CAERPHILLY HOMES – DEVELOPMENT PROGRAMME

REPORT BY: DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To update members on the progress being made towards delivering the 400 new home ambition that was agreed by Cabinet in January 2020.
- 1.2 To obtain agreement to move to the next stage of the development process thereby undertaking detailed site investigation work to determine whether the sites noted in this report are deliverable and viable.

2. SUMMARY

- 2.1 In January 2020, Cabinet agreed to deliver 400 new, low carbon affordable homes by 2025. A Caerphilly Homes Strategy and Development Team was established to drive forward the work necessary to underpin this ambition.
- 2.2 Having secured funding to support the delivery of two highly innovative pilot schemes in Trecenydd and Trethomas via the Welsh Government's Innovative Housing Programme, the emphasis now has been to learn from the implementation of both schemes in order to inform the delivery of new homes at Ty Darran, Risca and the former Oakdale Comprehensive School at scale and pace.
- 2.3 Both the Ty Darran and former Oakdale Comprehensive School schemes have received outline planning permission and further Cabinet reports detailing the contract arrangements, cost plan, marketing and commercial strategy and social value plan will be submitted in due course.
- 2.4 The focus for the team now is to identify potential development sites that follow on from Ty Darran and the former Oakdale Comprehensive School thereby ensuring a continuous supply of development sites are brought through the system to help meet the 20,000 new, low carbon affordable home commitment made by Welsh Government; the agreed 400 new affordable home target set by Cabinet (2025) and to meet an ever increasing need for homes (in particular, single person accommodation) as documented in the Local Housing Market Assessment and Local Housing Market Assessment Prospectus. The development of new, affordable homes is a key priority of the Local Housing Strategy: An Agenda for Change (2021-2026).

- 2.5 This report sets out the next 5 sites that have been identified following a robust exercise to determine which are most suitable, taking into consideration the potential developable area, the number of units that may be accommodated and any known constraints.
- 2.6 Subject to approval being obtained, further in-depth site investigations to ensure the suitability of the proposed sites for residential development will be undertaken.

3. RECOMMENDATIONS

- 3.1 Members consider and offer their views regarding the proposal to bring forward a suite of Caerphilly Homes development sites that offer a positive contribution to the Council's policy decision to increase affordable Council housing stock.
- 3.2 Members consider and approve the proposal to the commissioning of intrusive site investigations and the commencement of a detailed development appraisal for each site.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure the delivery of 400 new affordable Caerphilly Homes by 2025.
- 4.2 To ensure a continuous pipeline of development sites are brought forward to and post 2025 to meet an ever-increasing need for affordable housing in the county borough.
- 4.3 To ensure that the Council's land and assets are used as efficiently as possible in order to achieve corporate and national ambitions to deliver new affordable homes.
- 4.4 To reduce the number of applicants on the Council's Common Housing Register (CHR). As of the 25 October 2022, the total number of applications was – 6,738 (of those, 5,709 were active applications). As a comparison, on 1st February 2021, the total number of applications was 6,019 (active applications – 4,693) and on 1st February 2020, the total number of active applications was – 5,216 (number of active applications – 3,812).

5. THE REPORT

- 5.1 In January 2020 Cabinet agreed to deliver 400 new low carbon affordable homes by 2025. During 2022/23 Caerphilly Homes delivered its first new homes for 18 years as a result of a partnership between Willmott Dixon and steel frame manufacturers, Caledan Ltd and funding via the Welsh Government's Innovative Housing Programme.
- 5.2 The 18 new homes located in Trethomas and Trecenydd are the first of their kind in the county borough and utilise an innovative steel frame solution manufactured in Caerphilly, for Caerphilly. They are built to the highest standards of efficiency as a result of adopting a fabric first approach thereby helping to lower fuel costs for prospective tenants.
- 5.3 These homes have informed and set the standard for Caerphilly Homes' future schemes. Considerations in respect of placemaking, fabric first, energy efficiency, air quality, climate mitigation and resilience, biophilic design and an emphasis on quality are all part of the emerging ethos that will eventually underpin a Caerphilly Homes brand and the next portfolio of potential development sites that will be brought forward.
- 5.4 Work is ongoing on the Caerphilly Homes site at the former Oakdale Comprehensive School where 85 new homes will be delivered comprising 50% affordable and 50%

market sale homes. It is anticipated that a reserved matters planning application will be submitted in early 2023 which will see a start on site in Spring 2023. A robust commercial and marketing strategy will be presented to Cabinet early in the new year together with the contract, cost plan and social value plan.

- 5.5 A report on the environmental credentials of the scheme will be brought forward for decision by Cabinet in November 2022.
- 5.6 High level designs have been completed for the new Ty Darran later living scheme and engagement with potential occupants and the community will begin in Autumn 2022. The internal and external design and materials will be specified following the engagement sessions with potential occupants and the wider community, with a view to submitting a reserved matters application in January 2023.
- 5.7 The enabling works (including culvert diversion) and the demolition will take place in January 2023 thereby allowing Caerphilly Homes to draw down Social Housing Grant in the final quarter of 2022/23.
- 5.8 It is anticipated that the construction of the homes at Oakdale and Ty Darran will utilise the innovative steel primaframe solution which has been developed by steel frame manufacturers, Caledan Ltd on Penallta Industrial Estate. Investment in this solution has already delivered 3 new employment opportunities and is expected to deliver up to 12 additional roles once the Oakdale development commences.
- 5.9 The next suite of sites to be brought forward as part of the emerging Caerphilly Homes development programme have been selected as a result of the team identifying land to promote as potential housing sites in the 2nd Replacement LDP, and the subsequent refining of these land opportunities alongside the land appraisal consultant team.

Proposed Development Forward Work Programme (5 sites Circa.100 homes)

Former Aldi site, Rhymney (23 homes proposed – 13 affordable & 10 market sales)

- 5.9.1 This is the site of the former Aldi supermarket at the northern end of Rhymney. The site is considered brownfield / previously developed land and consists of hardstanding within the centre of the site and established trees around the west, north, and north-eastern boundaries of the site. The site lies within the defined settlement boundary where new residential development is normally permitted subject to all relevant material planning considerations, and the site falls within Flood Zone A i.e. in an area at little or at no risk of flooding.
- 5.9.2 A Preliminary Ecological Appraisal and Tree Assessment have been carried out and the results of these surveys have informed the proposed site layout. The site currently benefits from two vehicular access. A lane runs along the eastern boundary of the site, the ownership of which is currently unknown. Enquiries are being made regarding the ownership of this lane with the hope of incorporating it into the development site primarily for placemaking reasons. The site is located away from the main road and is sited between a mixture of different housing developments. Overall, there isn't a clear, prevailing form of development. Two-storey dwellings are typical, however, there is opportunity for taller buildings given the relatively unique nature of the site.
- 5.9.3 The initial feasibility plan for the site proposes a mixture of 2, 3 and 4 bed market sales properties, as well as a mixture of 2, 3 and 4 bed general needs and Low Cost Home Ownership (LCHO) homes alongside 1 bedroom later living and general needs

apartments. This would result in a blended community in a sustainable location at the northern end of the county borough.

- 5.9.4 A planning pre-application enquiry has been submitted to the Local Planning Authority and the aim is to achieve Outline planning permission at the site in advance of April 2023 to enable Caerphilly Homes to draw down social housing grant to acquire the site into the HRA. A preliminary SAB scheme based on a brownfield solution has been devised and this will be refined further to intrusive site investigation works that are due to commence in the near future. Please note that a greenfield SAB solution would reduce the number of dwellings that could be delivered down to 20 homes (15% reduction).
- 5.9.5 Subject to achieving outline planning permission it is anticipated that a reserved matters planning application could be submitted in spring 2023 and works could commence onsite in late summer 2023 with a target delivery date of the new homes by summer 2024.

Brookland Road, Risca (13 - 29 homes proposed - 100% affordable)

- 5.9.6 This parcel of land is located in Risca town centre to the north of the Council owned adult training centre on Commercial Street. The site is brownfield / previously developed land and has an area of 0.48ha. The site consists of areas of hardstanding and a youth centre and is currently accessed from Brookland Road from the east of the site and Lynn Road to the west.
- 5.9.7 The site lies within the defined settlement boundary, where new residential development is normally permitted subject to all relevant material planning considerations, and it falls within Flood Zone B, i.e. an area known to have flooded in the past where site levels should be checked against the extreme (0.1%) flood level. A Preliminary Ecological Appraisal of the land and youth centre (bat potential) has been carried out and there are no resultant constraints in that regard. There is a clear prevailing form of development surrounding the site, i.e. terraced and semi-detached 2-storey housing and this has been reflected in the proposed indicative site layout(s).
- 5.9.8 Two indicative layout plans have been prepared for the site; one option where the youth centre is retained and a second option without the youth centre.
- 5.9.9 The initial feasibility plan for the development of the whole site proposes a mixture of two and three bed LCHO properties, one bed general needs apartments, and a mixture of one and two bed later living apartments. The proposed two bed later living apartments have been proposed as a test bed to encourage right sizing in the area to free up larger family homes for families on the housing waiting list. The site development option whereby the youth centre is retained proposes one bed later living and general needs apartments, as well as two and three bed LCHO properties. A need has been identified by the Councils occupational therapist for a five-bedroom home to serve a specific need and the layout has been designed to allow for this, i.e. combining one of the pairs of semi's into a single bespoke dwelling if needed.
- 5.9.10 A planning pre-application enquiry, showing both development options, has been submitted to the Local Planning Authority and the aim is to achieve Outline planning permission on the site in advance of April 2023 to enable Caerphilly Homes to draw down social housing grant to acquire the site into the HRA. A preliminary SAB scheme based on a brownfield solution has been devised and this will be refined further to intrusive site investigation works that are due to commence in the near future. Again, if only a greenfield SAB solution was deemed acceptable that would likely result in a significant reduction in the number of new homes (roughly 15%).

- 5.9.11 Subject to achieving outline planning permission it is anticipated that a reserved matters planning application could be submitted in the spring and works could commence onsite in late summer 2023 with a target delivery date of the new homes by summer 2024. At present the main obstacle to development is a decision on the future of the youth centre onsite.

Land north of James Street, Trethomas (8 later living bungalows - 100% affordable)

- 5.9.12 This parcel of land is located to the north of James Street in Trethomas and currently comprises an area of informal public open space. The site area is approximately 1 Hectare, but it is only proposed to develop 20-25% of the land with the remainder being retained as enhanced public open space.
- 5.9.13 This greenfield site lies within the defined settlement boundary, where new residential development is normally permitted subject to all relevant material planning considerations, and falls within Flood Zone A. A Preliminary Ecological Appraisal and Tree Survey have been carried out and the development has been designed to retain trees of value. The built form context of the area is two storey terraced and semi-detached properties. To the west of the site is the Trethomas Grove sheltered housing complex (single storey).
- 5.9.14 The indicative layout plan has been designed to minimise the impact of the proposed development and retain the vast majority of the public open space. When survey work was undertaken at the site it sparked public interest which resulted in local members contacting the Caerphilly Homes team. Colleagues in the Parks Department have also confirmed that seasonal bulb planting has been undertaken at the site in collaboration with the public and therefore any development would also seek to enhance the remaining public open space and result in biodiversity net gain.
- 5.9.15 It is proposed to build eight later living bungalows. This form of development will have the least impact in visual terms and could act as a pilot site for new later living bungalows that should encourage right sizing to free up larger family homes.
- 5.9.16 A planning pre-application enquiry has been prepared but has not yet been submitted due to political sensitivity surrounding development of the site. Given the existing use of the land, a greenfield SAB solution is proposed that would also form part of biodiversity enhancement at the site. Subject to Cabinet approval it is anticipated that a full planning application could be submitted in Spring 2023, with a view to commencing development in Autumn 2023 and having new homes available in Summer 2024.

Land south of James Street, Trethomas (12 general need apartments - 100% affordable)

- 5.9.17 These two small land parcels have been identified in conjunction with the land above to the north of James Street. The parcels comprise of low quality informal public open space within the settlement boundary, and therefore the principle of development is acceptable in planning terms subject to all relevant material planning considerations. The built form context surrounding these parcels is two storey terraced and semi-detached properties. The site is well related to Trethomas village centre with its associated community facilities and public transport links.
- 5.9.18 The indicative layout plan has been designed to maximise the development potential of the sites whilst retaining the southern portion of the site as public open space / SAB solutions. It is proposed to construct 12 general needs one bedroom two-storey apartments on the two parcels to address the need for this type of accommodation.

5.9.19 A planning pre-application enquiry has been prepared but has not yet been submitted due to the anticipated political sensitivity surrounding this site and the site to the north of James Street. Given the existing use of the land, a greenfield SAB solution is proposed that would also form part of biodiversity enhancement at the site. Subject to Cabinet approval, it is anticipated that a full planning application could be submitted at the site in Spring 2023 with a view to commencing development in Autumn 2023 and having new homes available in Summer 2024.

Land at Park Estate, Bargoed (39 homes [general needs apartments and later living bungalows over 3 land parcels] – 100% affordable)

5.9.20 Please note that the three sites outlined below are all located within the settlement boundary and survey work to date (ecology, tree, utilities, flood risk, etc.) has indicated that they are suitable for new residential development. On all three sites, the vast majority of the informal public open space is retained to ensure the development does not result in an over densification of the land.

1. Western Drive

5.9.21 Initially the Caerphilly Homes team was asked to look at the land at Western Drive as a development site. This land is an allocated housing site in the adopted LDP, and with an area of 1.5Ha capable, in theory, of accommodating approximately 50 homes. However, an ecology survey of the land identified that a large portion of the site is not suitable for development due to its ecological value, and recently planted and established trees to the north of the site have also constrained its development potential to the south-west portion only. Please note that enquiries are being made about the ability to relocate the recently planted trees to expand the development area.

5.9.22 The land is held within the HRA. 16 one bed general needs two-storey apartments are proposed on this site with a greenfield SAB solution. Discussions are ongoing regarding potential architecture given the existing Council housing stock and the balance to be struck between integrating and modernising design.

2. Land at Heol Pencarreg

5.9.23 This is an area of sloping informal public open space. This site has been identified as an opportunity for later living bungalows. Given the topography eight bungalows are proposed opposite the existing two storey dwellings located on Heol Pencarreg. Again, this could present an opportunity to encourage right sizing for older persons to free up larger family homes in the area.

3. Land at Heol Coedcae

5.9.24 This is a difficult site given its topography, the location of existing sewers, and the form, i.e. lack of legibility, of the surrounding housing. Notwithstanding those issues, there is opportunity to deliver approximately 16 one bed general needs apartments and / or later living apartments / bungalows. This mix is still evolving subject to need and site constraints.

5.9.25 Subject to the receipt of Cabinet approval it is anticipated that a full planning application could be submitted for the site in Summer 2023 with a view to commencing development in Summer 2023 and having new homes available in Spring 2024.

Future Development

- 5.9.26 The five sites identified above have the potential to deliver approximately 95-110 new homes, the majority of which are proposed to be affordable and in areas where there is evidenced need. However, beyond these sites, an assessment of Council land holdings has revealed a significant lack of other suitable sites capable of delivering a significant quantum of development, i.e. over 10 homes per site. In light of this, and in order to achieve the target of 400 homes by 2025, Caerphilly Homes will need to identify suitable land to deliver the outstanding number of homes (circa 150).
- 5.9.27 The most appropriate site to deliver a large number of homes (approximately 100) is Aberbargoed Plateau. This is an allocated housing site in the adopted LDP with an existing access. It is understood that there may be aspirations to provide a mixed-use development in this location and therefore a collaborative approach is required with colleagues in the Council's Education and Property Services Departments to ensure a balance is obtained and any future needs can be met.
- 5.9.28 It would be beneficial to undertake a strategic review of the Council's land and assets as a priority to ensure the most efficient use of the land and assets within the Council's ownership in order to meet key corporate commitments. This work, upon conclusion, will inform the evolving development strategy that is under preparation.

5.10 Conclusion

- 5.10.1 The next suite of sites, if approved will potentially deliver circa 100 new homes towards the overall target of 400 by 2025.
- 5.10.2 The five sites identified in this report are those that appear to offer the best chance of success and fall within either the General Fund or the Housing Revenue Account land portfolios. It is important to note that the sites that fall within the General Fund must be valued by the District Valuer and apportioned to the HRA at the value determined by the District Valuer hence, a capital receipt is payable for each. The District Valuer has indicated that the market value for each site is as follows:
- Brooklands (for the whole site) - £425,000
 - Brooklands (excluding the youth provision) - £330,000
 - Former Aldi, Rhymney - £310,000
 - James Street, Trethomas (North) – £95,000
 - James Street, Trethomas (South) - £80,000
- 5.10.3 Social Housing Grant will also be sought to finance the appropriation of any General Fund sites and also their eventual development. The grant rate will be determined by the Standard Viability Model calculation.
- 5.10.4 Identifying land suitable for development is a challenge and in order to achieve the 400 target Caerphilly Homes are heavily reliant on the 21st Century School Programme to make available vacant school sites that may be utilised for residential development. It may also be necessary to consider the purchase of sites that are held privately.
- 5.10.5 In order to operate within a fluid and competitive market, Caerphilly Homes needs to be agile and responsive to take advantage of any land and property opportunities that may benefit the residents of the county borough. As a result, Caerphilly Homes will be drafting an overriding Development Strategy in early 2023 covering principles of development and governance arrangements to ensure Caerphilly Homes is fit for purpose to deliver at the scale and pace that is required to address the housing need within the county borough as the council builds the next generation of council homes.

6. ASSUMPTIONS

- 6.1 Initial assumptions that the 5 sites presented in the report are suitable for residential development by Caerphilly Homes have been made. The next stage of the process is to test these assumptions and de-risk any development that may occur through the undertaking of intrusive site investigations and further survey work to either confirm their development potential or not.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 A comprehensive IIA will be completed for each site if the site is brought forward as part of the Caerphilly Homes development programme.

8. FINANCIAL IMPLICATIONS

- 8.1 In order to assess the viability of each site, further intrusive and site investigation work is required. These works will be undertaken via Caerphilly Homes' land appraisal consultants, Currie & Brown and be subject to the rates agreed in the tender award.
- 8.2 The District Valuer will value all named sites that lie within the Council's General Fund and determine the value of each. A capital receipt will be payable for each site appropriated from the General Fund to the Housing Revenue Account. The details of the value attributed to each site are noted in 5.10.2.
- 8.3 Should development be forthcoming, the appropriation of each site into the HRA will be part funded by the HRA and SHG (Social Housing Grant).

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications arising directly from this report.

10. CONSULTATIONS

- 10.1 The consultee's below have been viewed the report. All comments received have been incorporated.
- 10.2 The following ward members have been engaged and provided the following comments.
- 10.2.1 Bedwas and Trethomas (Cllr Aldworth, Cllr Winslade and Cllr Phipps) – Councillors collectively disagreed with the proposals to develop on the sites named in the report but were supportive of undertaking further site investigation work on the land at James Street (North), but not the land at James Street (South).
- 10.2.2 Risca West (Councillor Owen and Cllr Wright) – both Councillors were supportive of moving to the next stage of the development process in relation to the land at Brooklands, Risca. Concerns were repeatedly raised by Councillor Owen with regard to not wanting to exacerbate the parking situation in that area of Risca and that he would be supportive of a proposal to attract a hotel to the site or later living accommodation.

10.2.3 Bargoed (Cllr Davies, Cllr Price and Cllr Ingram-Jones) – all Councillors were supportive of moving to the next stage of the development process with regard to the land identified within the report at Western Drive, Heol Pencarreg and Heol Coed Cae.

10.2.4 Rhymney (Cllr Cuss) – Councillor Cuss is supportive of the request to move to the next stage of the development process to bring the former Aldi site forward. Councillor Cuss would like to see the road adjacent to the site adopted and included within any proposed development boundary. This will be explored as part of the development process. Councillor Cuss also noted that he would also like to see the river Walk connected properly so access is enabled from the development. This will be explored further if the development is taken forward.

11. STATUTORY POWER

11.1 Local Government Act 1972, Housing Wales Act 2014

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Cllr Tudor Davies, Local Ward Member
Cllr Dawn Ingram-Jones, Local Ward Member
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