



CABINET – 20TH SEPTEMBER 2023

**SUBJECT: DEVELOPMENT AND GOVERNANCE STRATEGY
'BUILDING TOGETHER'**

REPORT BY: DEPUTY CHIEF EXECUTIVE

--

1. PURPOSE OF REPORT

- 1.1 This report details the content of the first Development and Governance Strategy for Caerphilly Homes. The Strategy sets out the governance arrangements that are required by Caerphilly Homes to underpin the development of new build homes, the core objectives, the development process, and overall Strategy to increase delivery. The report was considered by the Housing & Regeneration Scrutiny Committee on the 18th July 2023; comments from the Committee are included in Section 10 of the report.
- 1.2 The report proposes the creation of a Development and Governance Project Board (DGPB) that will oversee the delivery of the development programme and will have delegated responsibility for agreeing a range of decisions that are necessary to underpin the creation of an agile, fleet of foot, development programme similar to the TACP programme Board. The TACP Programme Board will be assumed within the DGPB.
- 1.3 To agree that Caerphilly Homes will deliver 100 low carbon affordable homes per annum.
- 1.4 To agree that Caerphilly Homes adopts the Design Commission for Wales' Placemaking Charter, which sets out high level quality and design standards that will inform and underpin each Caerphilly Homes development.

2. SUMMARY

- 2.1 There are currently 6,300 people on the Council's Common Housing Register awaiting homes. Of these, 360 people are in temporary accommodation and are awaiting homes that better suit their needs and requirements. Further demand for homes is likely to result from the ongoing cost of living crisis, humanitarian crises, asylum dispersal and demographics of overall population.
- 2.2 The Local Housing Market Assessment (LHMA) in 2018 suggested that Caerphilly Homes and its partners would need to build 282 homes per annum, to keep up with the demand for affordable homes in the county borough. The latest LHMA data is currently being collated and will inform the programme moving forward. However,

the demand for homes is likely to increase and the only solution to find a way out of the housing crisis is to build.

- 2.3 In January 2019 Cabinet approved the commencement of the Council's development programme which initially focused on the delivery of the two Innovative Housing Programme funded sites in Trethomas and Trecenydd. Having completed the sites in June 2022 following a partnership arrangement with Willmott Dixon via the SCAPE public sector compliant framework, the Council is progressing the development of two further sites in Oakdale and Risca. Reserved matters applications for each site are scheduled to be submitted in Autumn 2023 hence attention will now concentrate on developing a sustainable pipeline of sites that can be included in a cohesive development Strategy and delivery programme.
- 2.4 The Draft Caerphilly Homes Development Strategy entitled, 'Building Together' (Appendix A) sets out a high level framework that will underpin and guide the delivery of 100 low carbon Caerphilly Homes per annum. The Strategy is supported by the recommendation to create a Development and Governance Project Board (DGPB) that will oversee and monitor delivery whilst facilitating agile and responsive decision making. The report outlines the creation of the Board and recommends that the current TACP Board is assumed within the new DGPB.
- 2.5 The report recommends that Cabinet become a signatory to the Design Commission for Wales' Placemaking Charter thereby ensuring that Caerphilly Homes is recognised as a quality developer and placing it in the same category as its social housing peers including Wrexham Council, Swansea City Council, Pobl and United Welsh Housing Association who are also signatories to the Charter.

3. RECOMMENDATIONS

- 3.1 That Cabinet note the comments of the Housing & Regeneration Scrutiny Committee.
- 3.2 That Cabinet approve of the establishment of the Development and Governance Project Board (DGPB).
- 3.3 The responsibilities of the Transitional Accommodation Capital Programme (TACP) Board are assumed by the Development and Governance Project Board.
- 3.4 That Cabinet approve the delivery of 100 low carbon affordable homes per annum.
- 3.5 The Design Commission for Wales' Placemaking Charter is adopted by the Council as it underpins the design quality for all Caerphilly Homes Developments, and the Council becomes a signatory to the Charter.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The report seeks approval to establish a Development and Governance Project Board to initially expedite the delivery ambition of 400 affordable homes by 2025 and to ensure there is robust governance and monitoring of the development programme over the coming 10 years.
- 4.2 The creation of a Caerphilly Homes Development and Governance Strategy aims to set out a high-level framework which details the vision, objectives, quality standards and new build development delivery outcomes of Caerphilly Homes, to better meet

the ever increasing demand nationally and locally for affordable homes.

- 4.3 The Strategy sets out a sustainable programme of development over a 10-year period and commits Caerphilly Homes to a delivery programme which aims to deliver 100 new, low carbon, affordable homes per annum.
- 4.4 The creation of the Development and Governance Project Board will ensure that Caerphilly Council is seen as being 'Open for Business' and that opportunities to work with the private sector are maximised whilst appropriate due diligence and project management is undertaken thereby enabling Caerphilly Homes to be agile and responsive to working with the private sector.
- 4.5 To bring the Council in line with other quality social housing developers by signing up and agreeing to the key principles outlined in the Design Commission for Wales Placemaking Charter.

5. THE REPORT

- 5.1.1 There are currently over 6,300 households people on the Council's Common Housing Register seeking housing, including 320 in temporary accommodation. The demand for housing in Wales and in Caerphilly is increasing and is unlikely to ever reduce. The cost of privately renting or buying a home together with the costs associated with running a home are higher than ever and resulting in a cost-of-living crisis.
- 5.1.2 Over 70 parcels of land (general fund and HRA) have been examined by the team to assess their development potential. Of these, 27 have been submitted to the LDP Planning Policy Team for consideration as part of the first call for candidate sites.
- 5.1.3 A Land Prospectus detailing the sites within the Council's land portfolio that are considered developable and offer the best chance of development is currently being prepared. A further addition to the Land Prospectus detailing windfall sites including those that may be released as a result of the Council's 21st Century Schools programme is under preparation and a third addition will be prepared to detail those sites that will be included the new LDP. The Prospectus will be an evolving document to which sites are added and omitted as the programme progresses and as development opportunities are realised.
- 5.1.4 The Prospectus will inform Caerphilly Homes' development Strategy for the next 10 years and set out the sites that are likely to come forward during this period. However, to maximise opportunities to increase the Caerphilly Homes stock portfolio, a range of complementary tools / interventions are required. These include potential joint ventures with partner housing associations, package deals, strategic partnerships and acquisitions (both land and property). In this context, it is essential for Caerphilly Homes to be able to make decisions quickly and to be agile when it comes to decisions regarding package deals, land and property acquisitions, joint ventures, external funding opportunities, housing led estate reconfiguration and town centre opportunities etc.

Development and Governance Project Board

- 5.1.5 Caerphilly Homes recognises that development is a multi-layered process with many moving parts and to give as much assurance that objectives can be met on time and on budget, there needs to be an agile approach to delivery.

- 5.1.6 Currently all projects and spend related to the Council's development programme are taken through a decision process that can, in some cases, last 12 weeks. This is before the usual planning, SAB and Welsh Government Technical Scrutiny process. When dealing with land or property owners who are looking to work with the Council to facilitate affordable developments, the process is deemed too long and it would be beneficial if decisions could be made more quickly in order to take advantage of commercial / private sector opportunities.
- 5.1.7 The efficiency of decision making is vitally important so each area can be moved on independently so that other areas of the process aren't left waiting and can be progressed as swiftly as possible.
- 5.1.8 This has already been recognised within the decision-making procedures of the Council within the Development and Strategy team when the decision to create a stand-alone Project Board was taken to deliver and manage the Welsh Government backed Transitional Accommodation Capital programme (TACP).
- 5.1.9 To act quickly in the market and make property acquisition decisions as and when the opportunities were presented, a delegation was afforded to a separate Board to make these decisions. This has resulted in Caerphilly Homes being able to make swift decisions to acquire several properties to bolster the stock in a short period of time to address the transitional accommodation pressures across the county borough for those in unsuitable temporary accommodation in fear or at risk of homelessness.
- 5.1.10 This has worked well joining up the associated disciplines across the Council using colleagues from Caerphilly Homes, Land and Property and finance to ensure our defined processes are adhered within agreed parameters and tight timelines are met.
- 5.1.11 It is therefore proposed that a Development and Governance Project Board (DGPB) be created to oversee the Council's development programme and consider and determine those decisions that can, within the framework of Council Standing Orders and Standing Orders for Contracts, be delegated to the Board, thereby ensuring that decisions can still be thoroughly considered and discussed but also expedited.
- 5.1.12 The Board will comprise the Cabinet Member for Housing, Cabinet Member for Planning, and Chair of Housing & Environment Scrutiny Committee, The Director of Social Services and Housing, Section 151 Officer, Head of Legal Services, Head of Housing, Head of Development & Strategy, Housing Services Manager and other officers by invitation. (for example, Head of Customer and Digital Services, Head of Housing Solutions etc).
- 5.1.13 Key financial decisions that need to be made outside of the aforementioned RIBA stage such as entering into a large contract with a procured development partner will need to go to Cabinet under the usual governance and decision-making protocols. Decisions within such a contract that may have otherwise required additional scrutiny will be dealt with by the Board, such as variation agreements and signing off additional costs.
- 5.1.14 There will be pre-contract service agreements, appointment of consultants, demolition contracts, pre-planning and potential outline permissions and reserved matters applications that will all be covered under the delegation to the Board, in line with Standing Orders and financial regulations.
- 5.1.15 The Board will consider and approve which sites will be included in the programme, the commencement of site investigation work and initial development appraisals up

to and including RIBA 2 stage. It will oversee the progression of Caerphilly Homes schemes through the RIBA Plan of Work process (high level development process diagram – Appendix B). It will manage by exception in accordance with the high-level principles of PRINCE 2, monitor the financial forecast of each development and make decisions to amend delivery trajectory of each scheme accordingly.

- 5.1.16 Following these principles there will be officer led Sub-Boards created to manage the day to day development issues concerning sites, and specific management meetings with developers and associated partners to ensure each individual scheme meets its delivery objectives.
- 5.1.17 The Board will provide assurance in relation to package deal opportunities, joint ventures, acquisitions (land and property). It will consider thoroughly the advantages of such opportunities in relation to housing need, housing management, availability of land, challenges and risk. It will look at funding applications, housing-led town centre and estate regeneration opportunities linked to the delivery of a customer orientated housing service.
- 5.1.18 The premise and background to development by Caerphilly Homes will always be housing need. This will be demonstrated and presented to the Board by the Principal Housing Strategy Officer who will draw on the evidence from the Local Housing Market Assessment (LHMA) and current waiting list.
- 5.1.19 The Board will meet monthly and report bi-annually against the core areas of the development programme to the relevant scrutiny committee. An annual update report of the board activities and the development programme will be presented to Cabinet. The second annual update will be a distinct section in the annual HRA Business Plan report to cabinet and council as required, detailing the impact of the development programme on the HRA financial position and borrowing headroom (see 5.1.23 below)
- 5.1.20 There may be other decisions throughout the course of any financial year that may be contentious, repercussive, or reputationally damaging that may need to go before Cabinet earlier and these will be agreed as and when they arise by the Board.
- 5.1.21 The DGPB will also assume responsibility for the TACP programme thereby replacing the TACP Board.

Financial Threshold

- 5.1.22 The TACP board operates under an arrangement where an earmarked amount of funding is made available in the Housing Revenue Account. When it appears this will be breached and require more, then a request would be made to increase the ringfence within which it could financially operate.
- 5.1.23 The scale and significance of the development programme is such that this needs to be reviewed differently from the TACP approach. It has therefore been agreed with the S151 Officer and the Head of Legal Services & Monitoring that the Development and Governance Board can rely on the strength of the HRA Business Plan borrowing limits, as the financial envelope within which the board can operate. Every year the HRA Business Plan is presented to Cabinet and full Council if there is a need to increase the borrowing limit and then submitted to Welsh Government to judge if it is a financially sustainable 30 year business plan. Currently the borrowing limit is £100m, £55m of which is for new build development with the remainder for repairs and maintenance.

5.1.24 The HRA Business plan annual report will be strengthened with additional detail on a scheme by scheme basis. If the work of the Development and Strategy team suggests that additional borrowing is required (via a justification presented to the Development and Governance Board) then it will be requested in the report to full Council as part of the annual HRA reporting cycle. The scrutiny that the Business Plan receives and the way in which it forecasts across the 30 years, means it is a robust and auditable way to set the board's financial operating limits.

Development and Governance Strategy

5.1.25 A draft development Strategy entitled 'Building Together' has been prepared by Caerphilly Homes and is contained in Appendix A. The Strategy is complemented by the Land Prospectus which details the sites that will be considered in the next phase of delivery. The Strategy and Prospectus is complemented by the Design Commission for Wales Placemaking Charter, the RIBA Plan of Work (high level Caerphilly Homes development process diagram contained in Appendix B), Supplementary Planning Guidance LDP1 and the Caerphilly Homes Design Guide which is currently under preparation.

5.1.26 The core objectives of the Strategy are to ensure there is sufficient land in the development pipeline to deliver the much-needed homes for the communities of Caerphilly. It details how there will be enough and appropriate capacity within the team to deliver on these ambitions. It therefore details how the homes will be delivered looking at different delivery routes, products, design and quality standards and performance monitoring to ensure learning is embedded through the development process.

5.1.27 The delivery ambition set out in the Strategy is that Caerphilly Homes will deliver 100 low carbon affordable homes per annum for the lifetime of this ten-year Strategy. As mentioned, the Strategy will be reviewed to ensure these parameters are reflective of the current macro-economic situation and remain achievable.

5.1.28 In order to cement the Council and Caerphilly Homes as a quality developer, it is recommended that the Council become a signatory to the Design Commission for Wales Placemaking Charter. The Charter sets out six principles that must be considered when establishing and maintaining good places. Principles include; People and Community, Location, Movement, Mix of Uses, Public Realm and Identity. These principles lie at the heart of good placemaking and are already considered by the Council and Caerphilly Homes to be good practice considerations when creating great places. Signing the Charter will place the Council and Caerphilly Homes as a local authority developer on a par with other recognised social landlords including Pobl, United Welsh Housing Association, Swansea City Council, Carmarthenshire Council and Wrexham County Borough Council.

5.2 Conclusion

5.2.1 There is an ever increasing need for all types of housing nationally and within the locality. The number of households and individuals that are on the Council's Common Housing Register and in temporary accommodation are rising exponentially and are not expected to reduce any time soon. This is a fact that has been acknowledged by Welsh Government who are committed to building 20,000 low carbon, new affordable homes by 2025. The Welsh Government's Head of Land and Property has acknowledged that the only way out of the housing crisis is to build.

- 5.2.2 As one of 11 Councils across Wales who have retained their housing stock, Caerphilly Homes is in the advantageous position of having the ability to build new, low carbon affordable homes in response to this ever pressing need.
- 5.2.3 Caerphilly Homes' Development Strategy entitled, 'Building Together' provides an initial framework within which Caerphilly Homes will deliver 100 new, low carbon, affordable homes per annum. It sets out the governance arrangements that underpin the development process through the creation of the DGPB and highlights the quality and standards that will be achieved using the Design Commission for Wales' Placemaking Charter as a framework for creating great places. Furthermore, the Strategy sets out the added value that will be delivered as a result of the Council's sizable investment in new homes through working in partnership with the private sector and creating an open for business environment where the creation of new employment and training opportunities together with activities designed to support the local supply chain and circular economy are just as important as the delivery of new homes.
- 5.2.4 The delivery of the Strategy and the progress made by the Board will be reviewed and reported annually to Cabinet.

6. ASSUMPTIONS

- 6.1 Assumptions are prevalent within the Housing Business Plan which drives the borrowing requirement and is necessary to create a 30 year projection requested by Welsh Government. Sufficient financing and borrowing capability will support the delivery of a sustainable development programme that aims to deliver 100 low carbon, affordable homes per annum.
- 6.2 There is an ever-increasing need for all types of accommodation within the county borough and nationally and that a safe and secure home is a fundamental right.
- 6.3 Sufficient land is available to feed a sustainable development programme.
- 6.4 An open for business culture can be created across all disciplines with Caerphilly Council and Caerphilly Homes embodying a true Team Caerphilly approach and is sustained thereby encouraging the private sector to work collaboratively with Caerphilly Homes to deliver at scale and with pace.
- 6.5 Development is viewed as an economic and social catalyst thus using direct investment to transform homes, lives and communities within the county borough.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessment suggests that the Development and Governance Strategy will have a positive impact upon the residents of the county borough.
- 7.2 By establishing the governance arrangements necessary to increase the delivery of affordable homes, to meet the diverse range of housing needs throughout the county borough, the Development and Governance Strategy will have a positive impact on equality, diversity and inclusion, on tackling social disadvantage and on promoting the wellbeing of existing and future generations. The actions that will arise from the Strategy are expected to contribute, both directly and indirectly, to several of the Council's wellbeing objectives and will not have an adverse impact on the promotion of the Welsh language.

7.3 [Hyperlink to the Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from this report. (See details of the “Financial Threshold” in paragraphs 5.2.21 – 5.1.23 above).

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from the report or the establishment of a governance structure that underpins the Council’s development programme.
- 9.2 The secretariat for the Board will be provided by the Caerphilly Homes Strategy, Development and Performance Team.
- 9.3 The team is evolving and expanding to reflect the increasing focus on the development programme and the scale and pace of delivery.

10. CONSULTATIONS

- 10.1 All comments received from the consultees listed below have been noted and, where appropriate, incorporated within the report.
- 10.2 The report was presented to the Housing and Regeneration Scrutiny Committee on the 18th July 2023.
- 10.3 The scrutiny commented that this is a very interesting report, and quite inspiring, and recognised that until recently Caerphilly Council has been unable to build new housing. In terms of the standard of housing built by Caerphilly Homes which emphasises low carbon and net zero aspirations Members asked if it will be different to that built by private developers. Members were advised that what sets Caerphilly homes apart along with other social housing developers is that we must adhere to standards that are set by Welsh Government grant requirements. For example, this sets out things like space requirements that are more generous than private developments. Caerphilly Homes will be building to the 2025 building regulations which is an improved standard, there will be a focus on improved insulation, taking a fabric first approach to building new properties.
- 10.4 Members asked if the energy efficiency elements and low carbon, would be part of the specification and if we choose factory built MMC are they are cheaper to construct, also would we consider them suitable for the small plots of land to help people stay in their local areas. Members were advised that there is a critical mass in terms of cost efficiency, so when you are purchasing a certain number, it becomes more cost effective. However, with the speed of delivery and labour costs there are efficiencies to be made. The use of smaller plots is possible and there are examples where modular homes have been built in tight urban locations such as garage plots.
- 10.5 The scrutiny committee asked if the housing would have solar panels and heating installed. Members were advised that at the moment the housing schemes being progressed do not include solar panels but adopt the fabric first approach however it

doesn't mean that we won't consider it in the future. It has been used in retrofit projects particularly in the sheltered housing stock.

- 10.6 Members queried why the target of 100 units to be built per annum over 10 years was suggested. The committee were advised that it is well known that there is a housing crisis with over 6000 people on the Caerphilly waiting list. The council is building for the first time in 20 years and this proposal is one approach to meet those needs. However, the targets that have been set have been considered alongside the resources and capacity of the team to deliver it. They consider that a target of 100 per year is manageable, some years it will be below 100 and some years above. This is based on the needs of communities, but it will also depend on decent sites becoming available.
- 10.7 The scrutiny committee commented that in some areas there are particular shortages of three-bedroom houses, and therefore asked what the current make-up of Caerphilly Homes stock is. Members were advised that this would be available and could be circulated. In addition, it should be noted that the Council is actively seeking to buy houses from the open market this includes those homes previously purchased under Right to Buy. Many of these were larger houses two and three bedrooms, so we would seek to buy back if there are needs in those areas.
- 10.8 Members asked what the intention in terms of sizes of homes that will be built. Members were advised that the latest Local Housing Market Assessment is currently under review. This will identify what the housing need is at every level throughout the county borough. At the moment the highest need is one-bedroom homes, but there will be areas that will need two or three bedrooms. We will look to address these needs as part of the development of our schemes and work with our housing association partners and developers.
- 10.9 Members queried if Mr Tranter, the Monitoring Officer, had any views or objections to the development of the establishment of the Governance Project Board. The Scrutiny Committee were assured that Mr Tranter is supportive as is Mr Steve Harris the Section 151 Officer, subject to the Financial Thresholds being agreed before it is presented to Cabinet for a Decision.
- 10.10 The Scrutiny Committee asked how the Charter will benefit residents if it is adopted by the Council. It was stated that the Placemaking Charter is a really important document as it sets the design framework and what good quality placemaking looks like. It builds upon the Placemaking Policy and comes with 6 principles which includes community, location, needs, and movement, it is important that these spaces work for the people who live in them.
- 10.11 Members acknowledged the need for speed but sought assurance that the Development Board would not mean a loss of oversight when decisions are made. There were concerns that contentious decisions that might not have sufficient oversight and the desire to meet targets could be at the cost of overdevelopment in some areas. Therefore, will we be sensitive to the location of any new builds, take into account the identity of an area and ensure there are adequate facilities to meet the needs of the additional homes.
- 10.12 The scrutiny committee were advised that the intention is to have oversight but to make it more efficient. The project board will have the Cabinet Members for Housing and Planning and relevant Scrutiny Chair. The Board is about efficiency, to take opportunities as they occur. There will be annual reports back through Scrutiny and Cabinet. The development of new homes requires a great deal of work, the viability

and feasibility assessments are vital and we need to be as efficient in our decision making as possible. Caerphilly Homes have recently acquired new IT software to look at viability and speed up assessments. The 100 units are not just about developing new houses, but it is about working in partnership, and all delivered through the Planning Process which provides robust additional oversight. It is important to be aware of the Place, which is referred earlier under the Placemaking Charter. Alongside the knowledge that there is a housing crisis, and we have 6000+ waiting on the housing register. Also, housing is an important factor in economic regeneration, creating new jobs, new links with schools and colleges and encouraging careers in construction. It supports the local supply chains and local businesses and the circular economy. It is important to remember that Council Members and Officers are custodians of the county borough and have a responsibility to build responsibly.

- 10.13 Members asked how difficult it is to identify suitable land to build on. The scrutiny committee were advised that it is challenging to find an appropriate supply of land, and it is a critical factor. There are many things to consider such as is it appropriate for our needs, possible contaminants, topography, potential flooding risk etc. The Board will insist that the process is robust and decisions are based on viability and feasibility.
- 10.14 The scrutiny committee sought information on whether other Local Authorities operate similar Governance Boards. Members were advised there is a similar example in Bristol England and in Wales the Vale of Glamorgan.
- 10.15 Members queried when the Land Prospectus would be available as it is referred to in the report. The Scrutiny Committee were advised that it isn't directly linked to the recommendation in the report but it should be included for reference when the report is considered by Cabinet.
- 10.16 The scrutiny committee gave its congratulations to the Officers involved and recognised that there are really positive and proactive measures to address the housing crisis. Clarity was sought on the target of 100 when the LHMA report says we should be building 280 per annum. Is there a reason why we cannot build 200 per annum. Members were assured that the team want to be ambitious but are aware that they don't want to be overambitious and subsequently challenged for not meeting targets. The 280 figure applies to all partners not just Caerphilly Homes, with our contribution at 100. We are happy to exceed if possible and there are over 150 going through the planning process now. Members sought clarification on whether we are on the track to meet the 2025 ambition of 400 and were advised that there are the 160 in for outline planning now with another 45 due to be brought forward in the next few months. Whether we meet the target will depend on the ability to identify suitable land and support to develop those sites.
- 10.17 Members also queried the Section 106 percentage of affordable homes, which in the Caerphilly Basin is around 40% but it drops to 20% and 10% in other areas of the county borough which could arguably be considered more deprived and have a greater need. The scrutiny committee were advised that the affordable housing targets are in the Local Development Plan which was adopted in 2010. The targets were derived from looking at the need and each area at that time. This policy informs the section 106 agreements in the planning process. We consider the need and the local housing market assessment and then viability. We cannot justify high targets in more deprived areas but that doesn't mean that social housing providers cannot provide more. The LDP is under review now and the new plan may result in new targets.

- 10.18 The scrutiny committee asked when the Local Housing Market Assessment will be ready and will the results be available on a ward basis. Members were advised that when the assessment is published it will be available down to Ward level, and it will be available to Members and the Public. The intention is to also publish the Prospectus which will allow the data analysis to feed into the LDP. The LHMA is coupled with a prospectus to guide the allocation of Housing Grant from Welsh government as this is based on housing need.
- 10.19 Members commented that one of the issues for people who are willing to downsize is that there isn't suitable accommodation in their areas. The scrutiny committee were informed that Caerphilly Homes are commissioning research on the needs of older people, to see what will encourage them to 'Right Size' and possibly move to free up three-bedroom homes for example. There is awareness that for some people the types of older persons accommodation are not attractive and developments such as Ty Darran are seeking to address that. There will be a comprehensive report in September which will detail the types of accommodation we will be looking at going forward.
- 10.20 Following the debate it was moved and seconded that the recommendations be approved. By way of Microsoft Forms voting this was unanimously agreed.

RESOLVED that the Scrutiny Committee recommend to Cabinet that.

- 3.1 That Cabinet approve of the establishment of the Development and Governance Project Board (DGPB).
- 3.2 The responsibilities of the Transitional Accommodation Capital Programme (TACP) Board are assumed by the Development and Governance Project Board.
- 3.3 That Cabinet approve the delivery of 100 low carbon affordable homes per annum.
- 3.4 The Design Commission for Wales' Placemaking Charter is adopted by the Council as it underpins the design quality for all Caerphilly Homes Developments, and the Council becomes a signatory to the Charter.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and Housing Act 2014.

Author: Jane Roberts-Waite, Head of Development and Strategy
(roberj2@caerphilly.gov.uk) and Nick Taylor-Williams, Head of Housing
(taylon1@caerphilly.gov.uk)

Consultees: Councillor Sean Morgan, Leader of Council
Councillor Andrew Whitcombe, Chair Housing and Regeneration Scrutiny
Committee (whitca@caerphilly.gov.uk)
Councillor Shayne Cooke, Cabinet Member for Housing
(cooks3@caerphilly.gov.uk)
Christina Harrhy, Chief Executive (harrhyc@caerphilly.gov.uk)
Dave Street, Deputy Chief Executive (street@caerphilly.gov.uk)
Mark S Williams, Corporate Director for Economy and Environment
(willims@caerphilly.gov.uk)

Richard (Ed) Edmunds, Corporate Director for Education and Corporate Services (edmunre@caerphilly.gov.uk)
Rob Tranter, Head of Legal Services and Chief Monitoring Officer (trantrj@caerphilly.gov.uk)
Steve Harris, Head of Financial Services / Section 151 Officer (harrisr@caerphilly.giv.uk)
Lynne Donovan, Head of People Services (donov1@caerphilly.gov.uk)
Elizabeth Lucas, Head of Customer and Digital Services (lucasej@caerphilly.gov.uk)
Fiona Wilkins, Housing Services Manager (wilkife@caerphilly.gov.uk)
Catherine Edwards, Head of Asset Maintenance and Repair (edwarc9@caerphilly.gov.uk)
Kerry Denman, Housing Solutions Manager (denmak@caerphilly.gov.uk)
Lesley Allen, Principal Group Accountant – Housing (alleni@caerphilly.gov.uk)

Appendices:

Appendix A Development and Governance Strategy
Appendix B Caerphilly Homes Development Process

Caerphilly Homes Development and Governance Strategy – Building Together

2023-2033

Cllr Cook Foreword

We are in a housing crisis. There is shortage of affordable homes. More supply of all homes is required across Caerphilly County Borough. The global financial situation impacts local communities and the cost of living crisis means there is now a greater need for housing assistance at all levels; be that existing homeowners, private renters, Council contract holders or homeless families/people.

Caerphilly Homes now embark on an ambitious Strategy of new build housing development over the coming years, to work in partnership with developers and housing associations who are also tackling the crisis by increasing the opportunity and capacity to provide more housing for all.

The principal rationale to development by Caerphilly Homes will always be to tackle local housing need and deliver the optimum amount of affordable housing. By building again for the first time in 20 years and starting to increase Council owned housing stock again which has significantly reduced over the years due to the Right to Buy, gives greater capacity to grow our development team and programme to ensure more opportunities come forward year on year.

The Caerphilly Homes vision, that drives everything that is delivered, including our new build programme is;

‘To deliver an outstanding high-quality service for all customers of Caerphilly Homes’

With the customer at the heart of everything that Caerphilly Homes delivers and with a person centric ethos to development, homes delivered will meet need and strengthen communities, whilst growing the capacity of the team to build more, sustaining the business model into the future.

This 10 year Development and Governance Strategy for Caerphilly Homes sets out, how, and why this will be achieved and ultimately who will benefit, which is simply, those in housing need across Caerphilly County Borough.

CONTENTS

FOREWORD BY COUNCILLOR COOK	Page 1
INTRODUCTION AND ASSOCIATED STRATEGIES	Page 3
- DELIVERY CONTEXT AND HOUSING NEED	Page 4
GOVERNANCE	Page 5
DEVELOPMENT OBJECTIVES	Page 6
LAND	Page 6
- ACQUISITIONS AND REGENERATION	Page 7
CAPACITY	Page 8
DELIVERY	Page 10
- ROUTES	Page 11
- PRODUCTS	Page 13
- VIABILITY	Page 14
DESIGN AND QUALITY	Page 15
SOCIAL VALUE AND IMPACT	Page 18
BRANDING AND MARKETING	Page 19
CONCLUSION	Page 19
APPENDIX A – DEVELOPMENT STRATEGY	Page 20
APPENDIX B – DEVELOPMENT PROCESS	Page 21

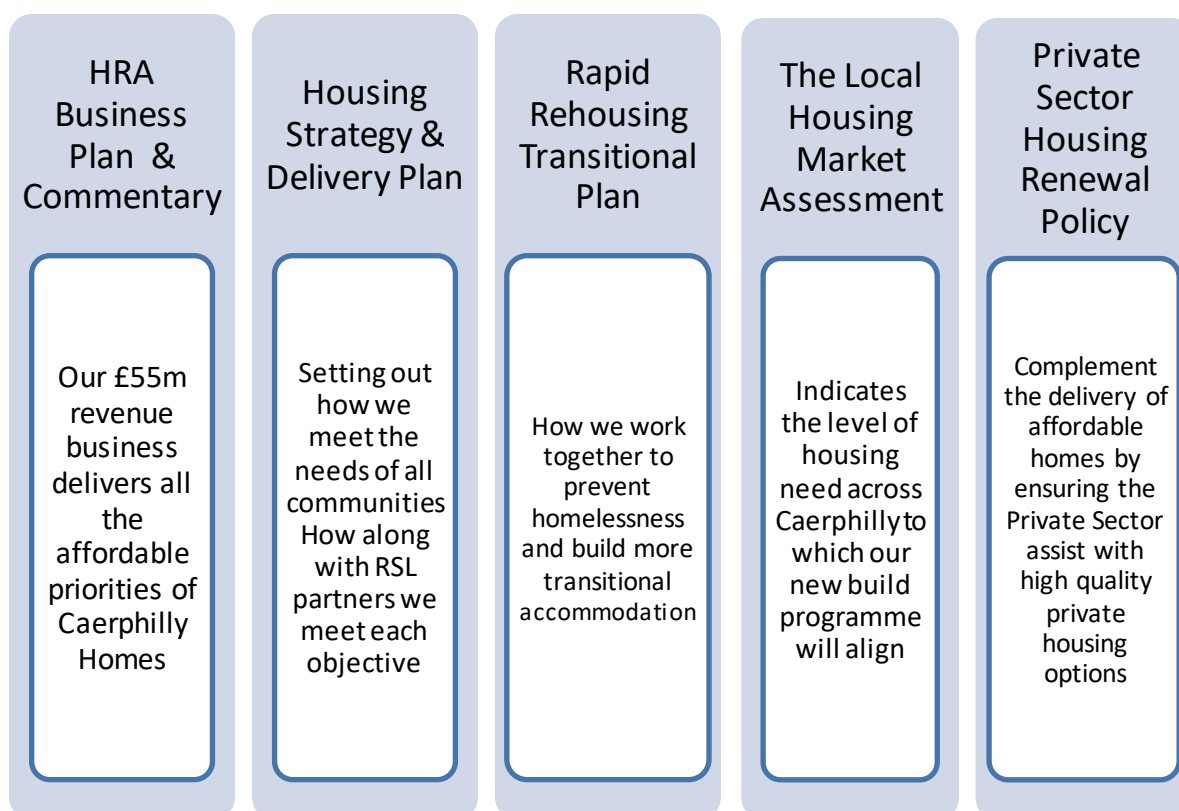
INTRODUCTION AND ASSOCIATED STRATEGIES

The Caerphilly Homes Development and Governance Strategy sets out how housing need will be met across the county borough directly by Caerphilly Homes. Providing high quality low carbon housing, ultimately increasing the number of affordable homes owned and managed by Caerphilly Homes. To use the Housing Revenue Account (HRA) and increased borrowing to drive more appropriate development solutions in all areas of Caerphilly, considering all viable delivery routes.

The annual HRA Business Plan and newly published associated commentary sets out the financial position of Caerphilly Homes and the investment commitment and debt management to sustain a new build development programme. It included the short-term borrowing requirement and illustrates how it will be managed to ensure there is capacity to deliver more. This Strategy provides clarity on the future ambition and development potential.

Whilst this Strategy sets out clearly how the Council and Caerphilly Homes intend to deliver 400 new homes by 2025 and provide a sustainable pipeline of development sites thereafter driving delivery every year; it is not only about the delivery of new affordable homes. It is much more than that, it is about how the Council and Caerphilly Homes uses its investment in new homes as a catalyst to drive growth, regeneration and opportunity throughout the borough.

It considers how the highest quality affordable homes are delivered in the most cost-effective way. The Strategy will form the framework within which Caerphilly Homes will evaluate development opportunities. Over time it will inevitably evolve and it will be formally reviewed on a regular basis. The Strategy is intended to be clear and easy to understand.



National and Local Delivery Context

Caerphilly Homes' development programme is coterminous with the Welsh Government's ambition to create 20,000 low carbon, affordable homes by 2026.

As one of 11 stock owning local authorities in Wales, Caerphilly County Borough Council owns approximately 10,600 homes and is the fourth largest stock retaining authority. Caerphilly Homes is the name of the housing services department and manages all the homes.

The Council and Caerphilly Homes takes the management, repair and maintenance of its homes seriously, but more importantly is the delivery of high-quality services to its customers and communities.

The rationale for building more affordable appropriate accommodation in all forms, is to assist those most vulnerable in our communities and ultimately experiencing homelessness and therefore links to our Rapid Rehousing Transitional Action Plan.

This Strategy also complements the Caerphilly Homes Empty Homes Strategy and soon to be published Private Sector Housing Renewal Policy.

Housing Need

There are currently over 6,300 people on the Council's Common Housing Register seeking housing, including 320 in temporary accommodation. The demand for housing in Wales and in Caerphilly is increasing and is unlikely to reduce anytime soon. The cost of privately renting or buying a home together with the costs associated with running a home are higher than ever and impacting upon the cost-of-living crisis. Furthermore, there are likely to be further Ukrainian guests arriving in the short term and Asylum seeker dispersal across the UK, Wales and into Caerphilly seeking homes and sanctuary. There is a housing crisis across Wales and Caerphilly. The only way out of the crisis is to build.

Development by Caerphilly Homes will always target local housing need. The Local Housing Market Assessment (LHMA) 2023 and LHMA Prospectus will steer the direction of what is delivered, indicating the level of need and what is ultimately considered on each potential development opportunity.

Customer Engagement

Caerphilly Homes intends to be the landlord of choice in County Borough through adopting a customer centred approach to service delivery throughout the entire department.

A transformation journey has started and we are ensuring that the right structures are in place to deliver new solutions and new meaningful ways of engaging and involving our customers. We recognise that this will take time but are committed to better meeting the needs of our customers, potential customers and residents.

Work has already started on reviewing our customer engagement Strategy to develop a framework for continuous engagement and improvement. It will be based upon the core behaviours of listening, engaging, demonstrating trust, empathy, learning, reflecting, improving and delivering results.

Caerphilly Homes aspiration is to be known for the quality of the service it provides to its customers and communities and for the quality of its homes (existing and new).

GOVERNANCE

Development is a multi-layered process with many moving parts and to give as much assurance that objectives can be met on time and on budget, there needs to be an agile approach to delivery.

The efficiency of decision making is vitally important so each area can be moved on independently so that other areas of the process aren't left waiting and can be progressed as swiftly as possible. If every decision through the development cycle had to be presented it would hinder the efficiency of the development programme.

A Development and Governance Project Board (DGPB) will oversee the Council's development programme and consider and determine those decisions that can, within the framework of Council Standing Orders and Public Sector Procurement Regulations, be delegated thereby ensuring that decisions can still be thoroughly considered and discussed but also expedited. It will oversee the delivery of development related activity including the acquisition of land and property, development agreements for new build schemes, the planning process and conversion of owned assets.

The Board comprises the Cabinet Member for Housing, Cabinet Member for Planning; Chair of Housing & Environment Scrutiny Panel, Corporate Director of Social Services and Housing, Section 151 Officer, Head of Legal Services, Head of Housing, Head of Strategy and Development, and other officers by invite (for example, Housing Services Manager, Head of Customer and Digital Services, Head of Housing Solutions etc).

The Board will oversee and direct the progression of sites detailed in the emerging Land Prospectus. The Prospectus will be discussed at every Board meeting to reflect new development opportunities, such as the release of Council land and asset, decommissioned sheltered housing complexes and also land which is bought specifically by Caerphilly Homes for development.

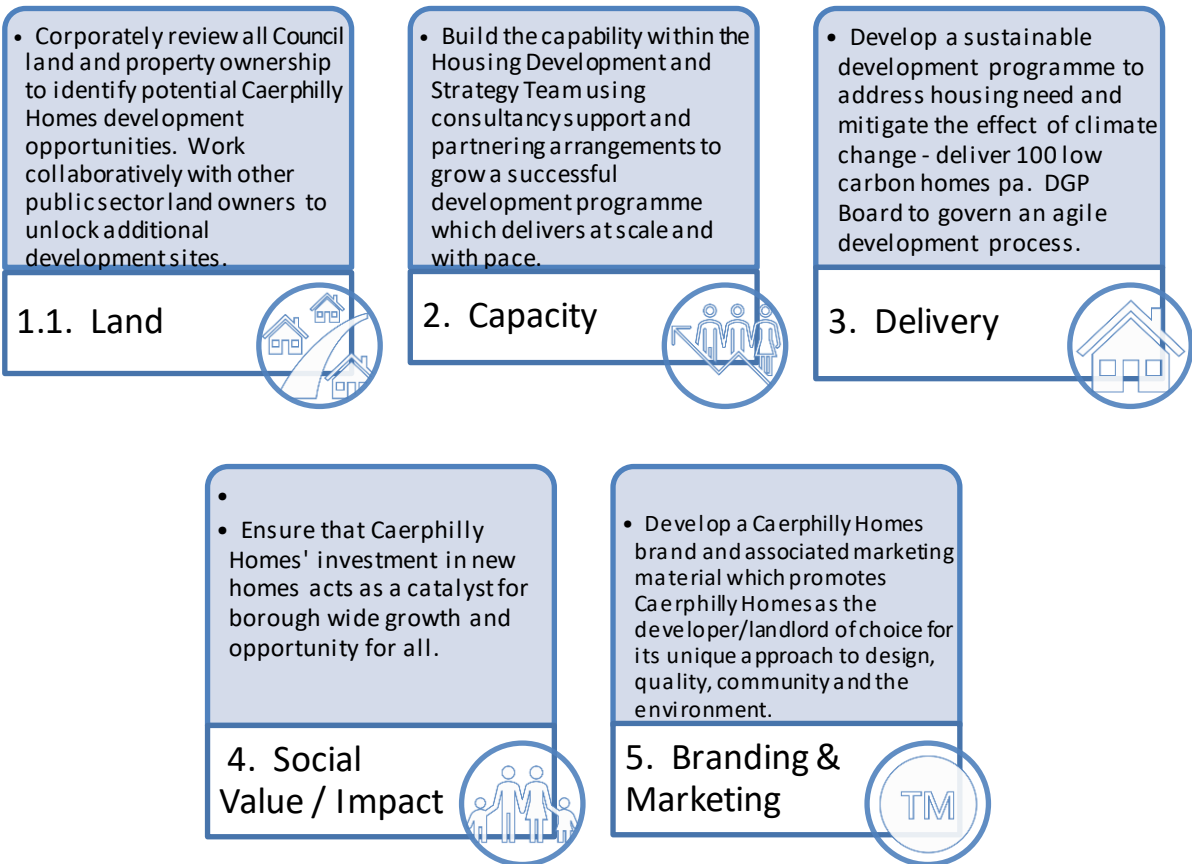
The Board will consider and approve which sites will be included in the development programme, the commencement of site investigation work and initial development appraisals up to and including RIBA 2 stage. It will oversee the progression of Caerphilly Homes schemes through the RIBA Plan of Work process and manage by exception. It will ensure each development site meet financial hurdles, monitor the financial forecast of each development and make decisions to amend delivery trajectory of each scheme accordingly.

The DGPB will meet monthly and report annually against the core areas of the development programme to the relevant scrutiny committee. An annual report will be presented to Cabinet. Key decisions that require a Cabinet approval such as entering into large development contracts will ultimately be presented through the governance process and to Cabinet. There may be other decisions throughout the course of any financial year that may be contentious, repercussive or reputationally damaging that may need to go before Cabinet earlier and these will be agreed as and when they arise by the Board.

DEVELOPMENT OBJECTIVES

The purpose: To directly provide, facilitate and enable good quality, low carbon affordable homes which meet the current and future needs of customers, residents and local communities throughout Caerphilly County Borough.

The priority will be to deliver a development programme that meets the following key objectives in respect of Land, Capacity, Delivery, Social Value / Impact and Branding & Marketing.



1 LAND

Caerphilly County Borough Council started to develop again in 2019 when the Cabinet set out an ambition to deliver 400 new homes by 2025 via multiple interventions. The focus since this time has been on identifying suitable land within the Council's portfolio (including general fund and the Housing Revenue Account) to deliver this ambition.

Over 70 parcels of land (general fund and HRA) have been examined by the team to assess their development potential. Of these, 27 have been submitted to the LDP Policy Team for consideration as part of the first call for candidate sites.

A prospectus detailing the sites within the Council's land portfolio that are considered developable and offer the best chance of development is currently under preparation. The Prospectus will be an evolving document whereby sites are added and omitted as the programme progresses and as development opportunities are realised.

The Prospectus will inform Caerphilly Homes' development Strategy for the next 10 years and identifies the sites that are likely to come forward for consideration by the Development and Governance Project Board during this period.

This evolving document can equally be utilised to identify and bring forward land not controlled by Caerphilly Council, as a tool to assess the feasibility and capacity of any site.

One of the main challenges relating to the viable delivery of affordable housing is the correlation between availability of developable land and identified need. The allocation and award of the Welsh Government's Social Housing Grant is based on the level of need in an area. Applicants must demonstrate that they are delivering affordable homes that meet the size and tenure need, identified in the Local Housing Market Assessment on a local basis. Often the land available for development is not within the wards or neighbourhoods where there is a specific need identified in the LHMA or there is a concern that there may be an oversupply in a particular area.

Caerphilly Homes may need to consider buying land from the private sector. When the Council owned sites within the live portfolio and land prospectus are exhausted, Caerphilly Homes will need to become active in the land market, making sure to work closely with other developing partners to not compete for land for the same purpose of optimised affordable housing delivery.

Where Caerphilly Homes seeks to appropriate land from the general fund to the HRA or purchase land on the open market, the land will be subject in the first instance to a valuation by the District Valuer.

Property Acquisitions

Caerphilly Homes are acquiring privately owned properties currently on the market as part of the Transitional Accommodation Capital Programme (TACP)

The acquisition of properties in locations where the Council already has a significant number of homes is an integral part of the ambition to increase the Council's housing portfolio.

Caerphilly Homes will explore the possibility of creating a ringfenced amount within the HRA to support an ongoing, sustainable programme of acquisitions, supported by additional flexibilities from Welsh Government regarding the use of Social Housing Grant to assist with street property purchases. The vast majority of these are ex Right to Buy properties that can be brought back into Council ownership usually in and around large numbers of existing Caerphilly Homes properties.

Housing Led Regeneration – Town Centres and Neighbourhoods

Over the timeframe of this Strategy, Caerphilly Homes will also explore the opportunity to contribute towards town centre regeneration and estate reconfiguration. Caerphilly Homes have commissioned consultants, to explore development opportunities in Blackwood, Caerphilly, Risca and Bargoed town centres. This information will be utilised to inform the town centre place plans that are being developed by colleagues in the Regeneration and Planning team with a view to submitting funding proposals to Welsh Government.

Caerphilly Homes will also seek to identify opportunities to better meet housing need through estate re-configuration or re-design in areas where there is an oversupply of a particular tenure type or historic management challenges.

Land vs Need Case Study Aberbargoed Plateau

The Aberbargoed Plateau, which is an allocated housing site in the LDP, could accommodate up to 200 new homes of mixed size and tenure. However, in the LHMA, there is no need identified for this quantum of homes. In this instance, there may be a need to consider developing without the use of SHG grant or to make the case to Welsh Government that the need identified in adjacent wards and neighbourhoods could be met by bringing this site forward.

It may also be necessary to consider developing sites in areas of need that may be financially unviable, in order to meet the need identified in the LHMA or to act as a housing led regeneration catalyst in areas where the economy has stalled and growth is limited. The delivery of new homes on this site could stimulate the local economy through direct investment and local supply chains, the employment and training of local people, encouraging people to relocate into the area and increase footfall into Bargoed town centre.



2 CAPACITY

HRA Financing

Every year the HRA business plan is presented as a sustainable plan to Welsh Government. It establishes the capital and revenue limits in which Caerphilly Homes operates and will indicate the headroom and borrowing requirements required to serve the new build programme. This will be linked to the delivery target(s) in place in that year and projecting forwards over the 30-year plan.

To manage the business plan and following the Board's establishment, there will be financial hurdles agreed in conversation with Section 151 Officer to establish the necessary financial controls which will give clearance to proceeding with certain projects and influencing ongoing project management decisions. It will review individual appraisals and the Head of Development and Strategy will ensure sites come forward within these hurdle rates. (See Scheme Viability pg. 12) This will control the impact on the HRA and our borrowing limits and also control land market endeavour, so as to not compete with peers as and when the need arises.

External Funding

Where external funding is secured to deliver new Caerphilly Homes, the scheme will adhere to the conditions enclosed in the relevant Welsh Government (or other body) grant offer letter together with the Council's Standing Orders and Standing Orders for Contracts Regulations.

Spend will be monitored by the Head of Housing in conjunction with the Head of Development and Strategy and Principal Financial Accountant for Caerphilly Homes. Claims will be submitted in accordance with the relevant grant claim procedure.

Development Resources / Delivery Team

The Caerphilly Homes development team is located within the Strategy, Development and Performance team which also includes the Principal Housing Strategy Officer, the Housing Strategy Officer and the Performance and Business improvement Analyst. The Principal Housing Strategy Officer is responsible for coordinating the Programme Delivery Plan which supports the allocation of Social Housing Grant at a local level and for undertaking the Local Housing Market Assessment (LHMA).

The Development Team are directly responsible for the delivery of the Caerphilly Homes Development programme and ensuring that the Council progresses towards the 400 affordable, low carbon, new home ambition by 2025.

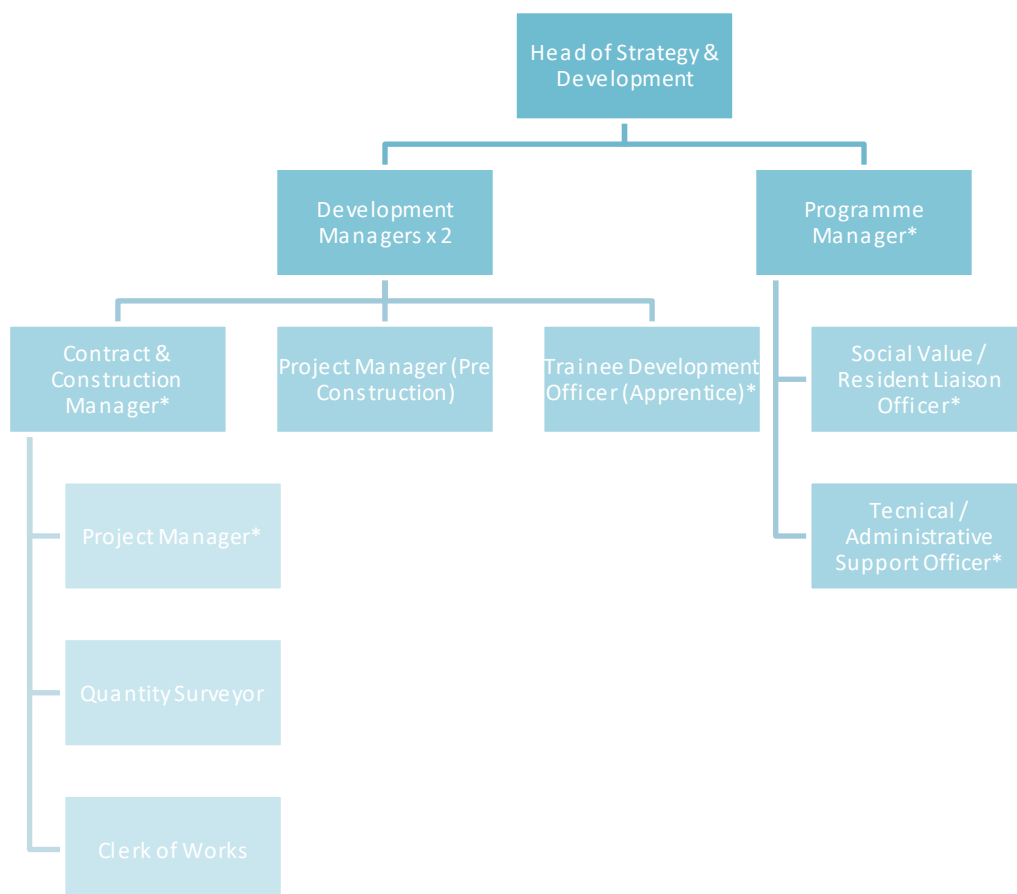
The team was created in 2020 and has evolved since this time in line with the development programme. New resources have been secured as the workload has increased.

The Development Team is split into three parts supporting each other; Pre-Construction, Construction/Delivery and Programme management, thereby covering all 7 stages of the RIBA Plan of Work and the high level development process.

Multi-disciplinary Consultancy Team

The Development Team are also supported by a specialist Development and Land Appraisal multi-disciplinary team which includes property and cost consultants, urban designers, architects, highways and infrastructure advisors, M&E specialists, net zero carbon advisors and legal advisors. The Tier 1 contractor engaged via the SCAPE Framework to deliver a flagship later living scheme at Ty Darran, Risca and an exemplar 85 new home scheme at the former Oakdale Comprehensive School site have also brought a significant degree of expertise in the form of award-winning architects, planning consultants, engineering consultancies and net zero carbon / Passivhaus advisors so there is a wealth of expertise in a range of relevant disciplines for the team to call upon and learn from.

Caerphilly Homes will continue to support the Development Team through ensuring the availability of appropriate training and upskilling opportunities and encouraging continuous professional development.



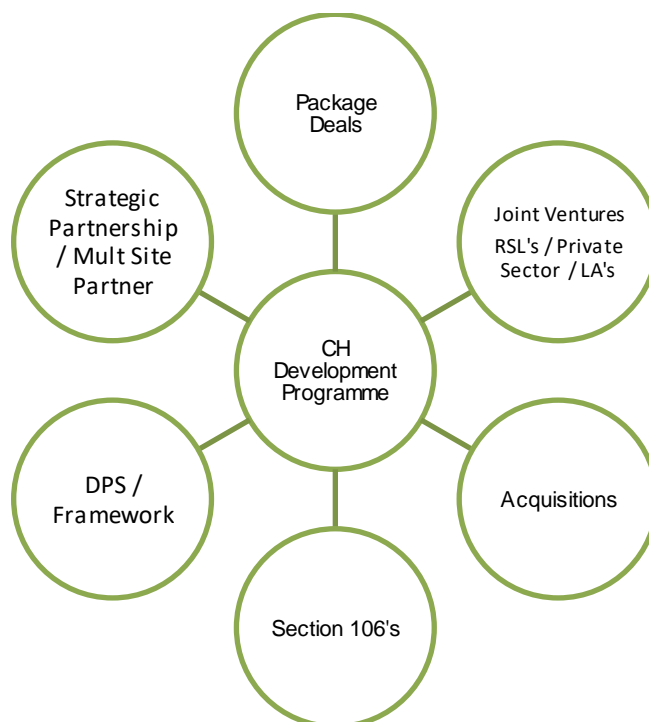
*Denotes yet to be recruited

Caerphilly Homes will keep the structure of the Development Team under review to ensure that adequate resources are available to support the delivery of a sustainable pipeline of sites.

3 DELIVERY

To maximise the opportunities to increase the Caerphilly Homes stock portfolio and deliver mixed tenure developments, a range of complementary delivery routes and interventions are required. These include traditional S106 contractual arrangements with developers, potential joint ventures with partner housing associations, package deals, strategic partnerships, and acquisitions (both land and property).

The following diagram illustrates the delivery routes that will be adopted to increase the number of homes within the Caerphilly Homes portfolio and introduce mixed tenure sites including Low-Cost Home Ownership and Market Sales:



Package Deals

Where a developer approaches Caerphilly Homes with an offer to develop land and affordable homes combined as a package, Caerphilly Homes will only engage where the developer can demonstrate 'exclusive rights' to the land in question.

In the case of all package deal opportunities, Caerphilly Homes will need to ensure appropriate due diligence. The following conditions would have to be met:

- 1) A satisfactory planning permission for the scheme
- 2) A satisfactory valuation of the proposed scheme (an independent valuation by the District Valuer)
- 3) A satisfactory review of the proposed scheme costs via an independent Chartered Quantity Surveyor
- 4) A positive financial viability assessment of the total scheme costs.
- 5) Formal approval of the SAB proposal for the scheme.
- 6) Completion of due diligence of the developing entity to evidence their ability to deliver the scheme (this could take the form of annual accounts, credit referencing, references etc).

Strategic Partnerships / Multi Site Partner

To bring scale and pace to the development programme, Caerphilly Homes may seek to work with a designated strategic development partner who would be able to evidence a track record of developing low carbon affordable and market sale homes.

This arrangement could take the form of a direct award or an open market procurement. It would mean that the chosen partner would be able to take schemes through the entire RIBA process from inception to handover, utilising and coordinating a multi-disciplinary team of specialists. The strategic partner would work on the larger, strategic sites within the Caerphilly Homes development portfolio or a package of smaller sites that collectively offer an attractive proposition to the market.

Caerphilly Homes would maintain control and influence over the output from any development in such an arrangement through being closely involved in clienting the build, designing the specification and monitoring the quality of the finished home.

Partnering with another Local Authority in the procurement of a multi-site developer would be beneficial given the capacity and resource it requires to run a large tender and then manage the contractual relationship. This is being explored as an efficient route to deliver on any number of sites.

Joint Ventures

This approach could be beneficial to Caerphilly Homes where resources (land, finances, skills etc) are pooled to deliver a defined outcome, maximise efficiency and also spreading risk. As an example, this could be where Caerphilly Homes partners with a partner Housing Association, developer or financial institution to complete the delivery of new, affordable homes together. It could be a simple arrangement or a complex one. It could unlock alternative financing models, new land opportunities and shared delivery arrangements. It may also present opportunities to share cost and risk.

Prior to considering entry into a joint venture, Caerphilly Homes will seek specialist legal, procurement and financial advice to ensure the Council's interests are protected and before presenting a comprehensive report to DGPB detailing costs, liabilities, and risks.

Section 106's

A Section 106 Agreement is another mechanism to increase the number of homes within the Caerphilly Homes portfolio. It is a legal agreement between the Local Planning Authority and a developer which sets out planning obligations that must be met. A section 106 can vary depending on the nature of the development; the most common obligations include, the provision of Public Open Space, Education or Highways infrastructure, town centre or health facilities or affordable housing.

The affordable housing obligations within Caerphilly County Borough are set out in Supplementary Planning Guidance LDP1 (SPG LDP1). Where there is evidence of housing need, the Local Planning Authority (Council) will seek to negotiate an affordable housing contribution with a developer based on the following targets:

- I. 40% in the Caerphilly Basin area (excluding Aber Valley);
- II. 25% in the Northern Connections Corridor (excluding Newbridge);
- III. 10% in the Rest of Caerphilly County Borough (including Aber Valley and Newbridge);
- IV. 0% in the Heads of the Valleys Regeneration Area (affordable housing can still be negotiated subject to viability).

Meeting these targets are dependent on the financial viability of each scheme. Often developers will argue that they are unable to provide the proportion of affordable homes specified due to viability.

The Council in its role as the Local Planning Authority specifies to the developer what affordable homes will be provided as part of the Section 106 contribution, including the type/mix of properties to be developed e.g. 1, 2, or 3 bedroom houses/flats/bungalows, social rent, rent to buy etc., with the mix of homes being derived from the data contained within the Local Housing Market Assessment (LHMA). The transfer cost of these properties to the social landlord is prescribed at the rates set out within the SPG.

The percentage of affordable housing to be provided by a developer is set out within the Section 106 Agreement. Within the agreement the Council can specify a preferred social landlord to whom the developer must transfer the affordable housing at the prescribed costs. Caerphilly Homes are the preferred landlord in each case unless it is not considered a scheme that is viable. This will enable Caerphilly Homes to purchase a number of Section 106 properties to add to its portfolio throughout the lifetime of the Strategy.

Products

Caerphilly Homes recognises that to create sustainable and cohesive communities and meet the current and future needs of customers and residents a variety of tenures are required.

Social Rent

Caerphilly Homes' primary purpose is to develop homes for social rent for those who choose to rent and those who are deemed the most vulnerable in our society and can be at risk of homelessness. Caerphilly Homes will provide a range of social rent accommodation to meet local need including general needs accommodation, temporary accommodation, later living / older persons accommodation and other specialist accommodation.

Low-Cost Home Ownership (LCHO)

The Council has recently introduced a Low-Cost Home Ownership (LCHO) product which will allow those who are unable to afford the full market value of a home, to purchase a share of their home. The Council's Low-Cost Home Ownership Policy was approved in 2022 and sets out the eligibility criteria and process that will apply. Caerphilly Homes is committed to building LCHO homes as part of mixed tenure developments.

Caerphilly Homes will potentially explore options to include specialist LCHO products for particular groups including older people and people looking to purchase their first home.

Market Sale Homes

Where appropriate and subject to viability, Caerphilly Homes will build homes for sale on the open market. In some circumstances it may be appropriate to develop sites that are entirely for market sale in order to cross subsidise the delivery of more affordable homes in other parts of the borough.

Caerphilly Homes market sale homes will exhibit the same energy credentials and building standards of the LCHO and social rent homes. This means that market sale Caerphilly Homes will be compliant with WDQR space standards and therefore occupy a larger footprint than our competitors. Whilst building to this standard for market sale homes results in increased cost, it facilitates a tenure blind approach to development schemes, adds value to placemaking and helps mitigate risk.

Caerphilly Homes will continue to work with partners to explore the use of innovative financing models and new products particularly other intermediate products addressing the widest set of needs of our communities as the development programme evolves.

Later Living

The scale of demographic change and the characteristics of the existing housing stock demands a rapid increase in the number of healthy, lifetime homes, which are flexible and adaptable to accommodate changing needs across the life course. Caerphilly Homes will deliver new homes that support positive agile ageing, enable people to live in their home for longer and are flexible and adaptable to accommodate the changing needs of inhabitants.

Caerphilly Homes will consider and apply the recommendations set out by the Housing our Ageing Population Panel for Innovation (HAPPI) which include generous space standards, units that are care ready, adaptable for new technologies, energy efficient and well insulated together with spaces that encourage interaction and facilitate positive engagement with the wider community.

Caerphilly Homes are seeking to create a new standard for later living accommodation which will be based on the learning taken from the delivery of an exemplar 46 apartment scheme at Ty Darran, Risca where we are exceeding space standards, maximising energy efficiency and applying lifetime homes standards.

Specialist Housing

Caerphilly Homes will work alongside the Occupational Therapist to ensure that on all new developments we are able to accommodate individuals and families with specialist housing requirements.

All our ground floor apartment accommodation will be fully accessible and compliant with Lifetime Homes Standards. They will contain accessible wet rooms (unless specified by the Occupational Therapist) and be constructed to ensure structural alignment between the bedroom and the bathroom thereby enabling a hoist to be installed if required.

Where requested to do so by the Council's Occupational Therapist our developments will also include single storey accommodation which is large enough to accommodate families with specialist housing needs. These homes will also be delivered in accordance with Lifetime Homes and WDQR Standards.

In relation to the provision of temporary accommodation, the Development Team will work closely with the Housing Solutions Manager and the Supporting People Manager to identify suitable opportunities for development. The development of temporary accommodation will be a core focus of the team given the increasing need for both temporary and move on accommodation within the borough.

Scheme Viability / Development Appraisals

Viability of a scheme to deliver either a profit margin for a mainstream developer or through a Caerphilly Homes lens; delivering the optimum level of affordable housing ensuring that the scheme does not make a significant loss, is one of the critical factors in determining whether a scheme will go ahead or not.

For schemes including affordable housing, an initial development appraisal will be undertaken following confirmation from the Caerphilly Homes Development and Strategy Team that the proposed development and location of the development is coterminous with the need identified within the Local Housing Market Assessment and the principles contained within the Local Housing Strategy.

Each development appraisal will ensure that proposals endorsed by the Strategy Team undergo a robust financial viability test to ensure each development is affordable and undertaken in accordance with Financial Regulations. This information will be presented to the DGPB at an early stage in the development process (Appendix B).

Value for money will be an important consideration however, Caerphilly Homes will consider proposals which may incur significant up-front material and construction costs but which have less of an impact on the local environment, provide healthier internal environments and offer customers the opportunity to lower energy costs. The cost of development at the outset will be balanced by materials and technology designed to mitigate the impact of climate change; that create healthier, safer homes that help reduce the pressure on primary care services and which help tackle issues of fuel poverty and debt. All these elements are costs to society as a whole and to the public sector and by investing up front in our most basic of needs, a safe and secure home; the cost and impact on the public purse and society as a whole can be reduced.

For a scheme to proceed, the scheme viability must be approved by the DGPB. The following considerations will each form part of the development appraisal process:

- Demand in the location proposed and housing need
- Strategic fit with WG requirements
- Strategic fit with the Council's LDP and corporate objectives
- The community, environmental and economic benefits of the proposal
- The 5 ways of working and 7 goals within the Wellbeing and Future Generations Act (2015)
- Delivery mechanism
- Technical Viability
- Financial Viability and Funding (including hurdle rates)
- Risks

These aspects of the development appraisal process aim to ensure that Caerphilly Homes considers the wider impact of any development it undertakes on the Council's role as custodians of the county borough, the environment, the economy and local communities.

In addition to financial viability there will be political, social, economic or other relevant reasons for progressing (or not progressing) a particular scheme and these will also be considered.

With the rising cost of materials and labour; poor quality land and abnormalities such as contamination, ecology or infrastructure costs; compliance with WDQR standards and a net zero carbon ambition, most sites in Caerphilly are unlikely to be financially viable and will be reliant on securing Welsh Government Social Housing Grant (SHG) for the acquisition and delivery of most sites. A high-level viability appraisal will be undertaken at the very outset of a scheme prior to any procurement exercise or land purchase.

Design and Quality

The Council and Caerphilly Homes are committed to a new dawn of development; of doing things differently to meet the evolving and changing needs of our customers. We will build high quality, fabric first, energy efficient homes that address rising fuel costs and create healthier internal environments. We will ensure that the Future Generations Act 2015 and Design Commission for Wales's Placemaking Charter underpins all our developments thereby ensuring the provision of sustainable homes and communities that leave a legacy for generations now and in the future.

The Council, as custodians of the borough, is passionately committed to ensuring that its investment in homes delivers new training and employment opportunities; forms new partnerships with schools and colleges creates new and sustains existing local supply chains; enhances biodiversity and creates cohesive communities.

Building Standards

The quality of new Caerphilly Homes is of paramount importance to the Council. Caerphilly Homes recognises that as custodians of the county borough we have a responsibility to ensure that our developments are delivered with communities thereby ensuring cohesion and integration.

We will develop in accordance with the Design Commission for Wales Placemaking Charter and the six principles that underpin the Charter; people and community, movement, public realm, location, mix of uses and identity.

We will give due regard to the environment in which our developments are located, working with the topography of the borough and where possible, seeking to achieve net biodiversity gain on all sites employing biophilic design principles.

Caerphilly Homes recognises the benefits of early engagement with the Local Planning Authority, the Highways and Drainage Teams, Ecologists, Placemaking Officer, Landscape Architect and Tree Preservation Officer. It will utilise the Internal Stakeholder Forum to ensure early awareness of potential development sites and ongoing engagement throughout the development process. Early engagement with Welsh Water, the Coal Authority (where applicable), National Resources Wales (where applicable), the Fire Service and the Designing Out Crime Officer (DOCO) will also be sought.

Caerphilly Homes will, as a minimum, build affordable homes to the standards set out by the Welsh Government in Welsh Development Quality Requirements 2021, Beautiful Homes and Spaces. We will ensure that our developments contain accessible homes that are built to Lifetime Homes Standards and homes that can be easily adapted to reflect the changing circumstances and needs of our customers.

Digital connectivity is an important component in the delivery of new, future ready, affordable homes. Caerphilly Homes recognises that access to fast and reliable broadband is essential to residents; opening up access to lifelong learning opportunities, helping to tackle social isolation, providing access to public services, enabling home working and bringing people together. Caerphilly Homes will work with its contractors to explore the installation of gigabit-capable broadband infrastructure at all new development sites and encourage the use of smart technology that can enable people live at home independently for longer and reduce isolation. Electric car charging infrastructure will also be provided.

Net Zero Carbon

In seeking to deliver developments that are deemed net zero carbon, Caerphilly Homes' ambition will be to examine the embodied and operational carbon of each development taking into consideration lifetime carbon and costs. Considering each development on its own merits taking a fabric first approach; using building techniques and materials where possible which are coterminous with our net zero ambition. Priority will be given to ensuring that customers benefit from a building with a fabric first approach through increased energy efficiency, healthier internal environments, and lower energy costs.

Building will initially be to Building Regulations 2025 thereby ensuring our first major developments are low carbon or as near to net zero carbon as is possible.

This links directly with the Council's ambitions to decarbonise by 2030 and Welsh Government's aspirations to make Wales net zero by 2050.

All Wales Net Zero Carbon Timber Frame Project

Caerphilly Homes is one of 11 retention authorities and 4 Registered Social Landlords who are participating in the All Wales Net Zero Carbon Timber Frame project which seeks to design and deliver a build system for a suite of whole life net zero carbon homes, which are fully prototyped, tested, and have secured warranties to satisfy mortgage lenders. The output from the project will be the production of manuals for the manufacture and assembly of all property types, which can be used for free by participating social landlords, but whose use by all other users, attracts a licence fee.

The Cabinet Member for Housing signed a memorandum of Understanding in 2020 which commits the Council to part funding the project along with the partner organisations and allocating a suitable site within Caerphilly in which to test out the project deliverables.

Design Guide

Caerphilly Homes will develop a high-level design guide that will reflect the uniqueness of Caerphilly's landscape, ecology, heritage and communities. It will set out the internal and external specification of homes together with placemaking, technology and energy efficiency credentials. It will also reflect the Council and Welsh Government's ambitions to lower carbon emissions and mitigate the impact of climate change, lower energy costs for customers and build resilient communities.

The internal specification will be reviewed annually to ensure that it is fit for purpose ensuring that products are continually kept under review and that new innovations are incorporated where appropriate. The internal specification for new build will evolve into our existing homes over time therefore ensuring synergy between the development and maintenance and repairs functions.

The design guide will be made available to developers wishing to work with the Council, be in line with our Asset Maintenance and Repair Strategy and be applicable to Section 106 homes that Caerphilly Homes acquires.

Quality Control

A Contract & Construction Manager together with a Project Manager and Clerk of Works (COW) will oversee the delivery of work on site. The Contract / Construction Manager, the Project Manager and COW will monitor the quality of the workmanship provided by the contractor on site, ensure adherence to the drawings and specification agreed and compliance with CDM regulations, building regulations, Sustainable Urban Drainage legislation and planning conditions.

Prior to the handover of properties, the COW together with appropriate officers will undertake a detailed snagging inspection of each property, communal areas and the external environment to ensure that the quality of the finish meets the Council's expectations and contract requirements. Caerphilly Homes will develop appropriate handover procedures to ensure that the customer is familiar with their new home and that they are aware of the wider support that is available to them.

All main contractors working on behalf of Caerphilly Homes will be expected to be part of the Considerate Constructors Scheme (CCS).

All Caerphilly Homes developments will be under warranty for a minimum of 10 years via a nationally recognised provider (NHBC, LABC etc). Defects that arise outside of the initial snagging period will be handled via the insurance process. Contractors will be required to provide Caerphilly Homes with a Company Guarantee and component collateral warranties which can be utilised for any major defects that arise.

Caerphilly Homes will undertake a post occupancy survey together with a visit after 1 month, 3 months and 12 months to occupants of new homes in order to gather data and information to learn and inform future developments.

Performance Monitoring

From the inception of the scheme, delivery and operation of the resulting homes, the Head of Development and Strategy will oversee and assess the performance of each contract and consultant (where appropriate). Performance will be assessed in accordance with the terms and conditions of contracts including social value requirements and the key performance indicators (KPI's) included therein.

An annual update containing information on the performance of each contractor and the KPI's delivered will be provided to DGPB at the end of each financial year. The Board will manage by exception hence where significant issues arise these will be raised in an exception report.

4 SOCIAL VALUE AND IMPACT

Procurements

The procurement of development partners and consultants will be undertaken in accordance with the Council's Financial Standing Orders and Standing Orders for Contracts. Colleagues from the Council's Legal Services and Procurement Team will assist in advising the Development Team on procurement options and legal requirements appropriate to the development scheme proposal.

The chosen procurement route will seek to deliver schemes on time and within budget with quality being a key consideration. The minimisation of risk to the Council will also be an important factor.

Social Value / Economic Impact

Through our procurements and partnerships, we will seek to develop and support local supply chains. Caerphilly Homes will prioritise social value and ensure that our investments in new homes deliver more for the local economy, the environment, our people and our communities.

All primary contractors that work with Caerphilly Homes will be required to prepare a social value plan that sets out how and what they will deliver. They will be encouraged to work and add value to existing support services to deliver new employment and training opportunities; with local schools and colleges to promote the opportunities that are available within the immediate construction project and the sector; promote the green skills agenda and support the circular economy.

5 BRANDING AND MARKETING

Caerphilly Homes are developers of not only high quality, low carbon affordable homes but also sites which include a range of tenure options including market sales. As a result, we acknowledge the need to work closely with our commercial advisors and contractors to ensure that our homes are not only comparable with our competitors but exceed customer expectations of what a Caerphilly Homes development looks and feels like. Our sites have to work harder than our competitors to challenge the stigma often associated with affordable homes and create a brand that crosses tenure and is appealing and inclusive. Over the next 12 months Caerphilly Homes will explore what that 'brand' is and how it can be applied, in the first instance to the flagship development at the site of the former Oakdale Comprehensive School.

CONCLUSION

There is an ever-increasing need for all types of housing nationally and within the locality. The number of households and individuals that are on the Council's Common Housing Register and in temporary accommodation are rising exponentially and are not expected to reduce any time soon. Welsh Government who are committed to building 20,000 low carbon, new affordable homes by 2025.

As one of 11 Council's across Wales who have retained their housing stock, Caerphilly Homes is in the advantageous position of having the ability to build new, low carbon affordable homes in response to this ever-pressing need.

This Strategy provides the framework within which Caerphilly Homes will deliver 100 new, low carbon, affordable homes per annum. It sets out the governance arrangements that underpin the development process through the creation of the DGPB and highlights the quality and standards that will be achieved using the Design Commission for Wales' Placemaking Charter as a framework for creating great places.

Furthermore, this Strategy sets out the added value that will be delivered as a result of the Council's sizable investment in new homes through working in partnership with the private sector and creating an open for business environment where the creation of new employment and training opportunities together with activities designed to support the local supply chain and circular economy are just as important as the delivery of new homes.

APPENDICES

A – Please view via Link to: [Draft Land Prospectus](#)

B – Development Process

Caerphilly Homes Development Process

