



CABINET – 18TH OCTOBER 2023

SUBJECT: CAERPHILLY HOMES - TY DARRAN REDEVELOPMENT

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek approval from members to sign the Delivery Agreement with Willmott Dixon to progress the scheme through to construction and completion by Autumn 2025.
- 1.2 To endorse the creation of a social value plan which will encompass the Ty Darran, former Oakdale Comprehensive School and Ty Melin development schemes.
- 1.3 The report was considered by the Housing and Environment Scrutiny Committee on the 19th September 2023; comments from the Committee are included in Section 10 of the report.

2. SUMMARY

- 2.1 In 2018 Cabinet determined that due to design limitations and concerns regarding cost, Waunfawr House, St Mary's Court and Castle Court sheltered housing schemes would not be remodelled and a programmed closure of the three schemes would be implemented. Residents were subsequently advised that upon completion of a new later living scheme at Ty Darran, they would transfer into the new scheme.
- 2.2 Caerphilly Homes have been working with Willmott Dixon and Architects Pentan for over 18 months, to bring forward a 45 unit later living scheme on the site of the former care home at Ty Darran, Risca.
- 2.3 During this time Caerphilly Homes delivered two Passivhaus schemes (Trecenydd and Trethomas) in collaboration with Willmott Dixon, funded by the Welsh Government's Innovative Housing Programme (IHP). The aim of the IHP was to pilot new construction methods and materials to mitigate the impact of climate change, lower energy costs and increase the energy efficiency of homes. The programme then encouraged grant recipients to learn from the pilot projects and apply the positive lessons learnt to other developments at scale and pace. Caerphilly Homes partnered with construction expert Willmott Dixon and Caledan Ltd to develop a fabric first, steel frame construction solution; manufactured in Caerphilly, for Caerphilly. The benefit of having a local manufacturer involved in the development of the solution has resulted in benefits to the circular economy and ensuring that the investment in new homes delivers wider

benefits for the local population and community.

- 2.4 As a result of the climate emergency declared by the Cabinet in 2019 and the ambition to create a net zero carbon borough by 2030, it was the aim to deliver a net zero carbon later living development at Ty Darran. The delivery of a net zero carbon scheme has been explored in conjunction with sustainability expert Mark Morant however, seeking to calculate whole life costs (both operational and embodied carbon) is challenging and also costly at this point. Caerphilly Homes have therefore opted to build to Building Regulations 2025. The Council's insurance team also advised that for any development 3 storeys and over, a steel frame solution would be most appropriate.
- 2.5 It was recognised that to expedite the Ty Darran development and ensure the most efficient use of resources (time and cost) it would be best to seek to evolve the steel frame fabric first solution developed for the pilot sites and apply an evolution of the solution to Ty Darran. Willmott Dixon continue to partner with local, Penallta based steel frame manufacturer, Caledan Ltd who will be supplying the majority of the lightweight steel frame solution utilised on the scheme.

3. RECOMMENDATIONS

- 3.1 Members note the content of the report and approve the signing of the Delivery Agreement (DA) with Willmott Dixon to deliver a new, low energy, flagship later living scheme by Spring 2025.
- 3.2 Members endorse the formulation of a social value plan which will encompass the Ty Darran, former Oakdale Comprehensive School and Ty Melin development schemes with Willmott Dixon.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To deliver 45 new affordable homes as replacement for the following sheltered housing schemes; Castle Court - Crosskeys, St Mary's Court - Risca and Waunfawr House - Crosskeys.
- 4.2 Deliver the Council's ambition to deliver more affordable, new, low carbon homes and meet the Welsh Government's commitment to deliver 20,000 new homes during the period of the current administration.
- 4.3 Deliver high quality later living accommodation that meets the expectations and needs of current and future occupants.

5. THE REPORT

- 5.1.1 In January 2020 a decision was taken by Cabinet to award a contract to Willmott Dixon to deliver certified Passivhaus schemes in Trecenydd and Trethomas. In total 18 apartments have been constructed using an innovative steel primaframe solution which is manufactured on Penallta Industrial Estate by Caledan Ltd. As a result of the order from Willmott Dixon for the 18 units, they have been able to invest in new technology and employ an additional two team members.
- 5.1.2 The efficiency of the building fabric developed for Trecenydd and Trethomas has been monitored via a sophisticated network of hardware built into the envelope by

The Active Building Centre at Swansea University and provides important intelligence as to the efficiency of the building fabric and energy costs.

- 5.1.3 The Mechanical and Electrical strategy adopted will be an evolution of the solution developed for Trecenydd and Trethomas as the technology that was embedded within the fabric of the building is indicating that the air source heat pump coupled with a hot water cylinder, mechanical heat ventilation recovery system and electric heating is operating at a 30% betterment (coupled with a thermally efficient and air-tight building fabric). Thereby resulting in lower energy costs for customers.
- 5.1.4 Engagement with potential occupants is ongoing. An involvement event was also held in Risca library during Spring 2023 so that the local community could engage in the development of the scheme. The design has evolved as a result of the engagement and involvement events to date. A series of further events will be scheduled during Autumn 2023.
- 5.1.5 The Architects, Pentan and Willmott Dixon have worked hard to ensure that the design develops in accordance with the original mandate which was to create a flagship, later living scheme that sets the bar for future Caerphilly Homes developments and which creates a completely different offer for people over the age of 60 living in the county borough. That offer includes a building that facilitates interaction between residents and the local community; that encourages agile aging through the provision of bright, light and open communal, multi-use spaces and includes apartments that are light, spacious and enable access to the wider environment.
- 5.1.6 The building will be constructed in line with Building Regulations 2025. Part F of the 2025 Building Regulations include new standards for ventilation whilst Part L sets out minimum energy performance targets, air tightness and improved insulation.
- 5.1.7 The high-level specification to which all new, Caerphilly Homes will conform is set out in the Development and Governance Strategy Report that will be considered by Cabinet on 20 September 2023. All Caerphilly Homes developments will seek to meet Building Regulations 2025 as a minimum.
- 5.1.8 The re-development of Ty Darran is an exciting, flagship development that will set the standard of later living accommodation in the borough delivered by Caerphilly Homes. The design team (which involves representatives from Pentan Architects, Willmott Dixon, Mark Morant Associates, SDS, the Caerphilly Homes development team and the Council's Placemaking Officer) have paid special attention to the material choices, landscaping and the outside spaces that envelope the building.
- 5.1.9 The demolition of the former Ty Darran care home was undertaken by Willmott Dixon as part of the Pre-Construction Services Agreement (PCSA) in Spring this year.
- 5.1.10 The sewer diversion has been completed and the SAB solution confirmed.
- 5.1.11 The completion of Ty Darran may also make available three additional development sites that could (pending the receipt of site investigation reports) be included in the Council's development programme (Waunfawr House (Crosskeys), St Mary's Court (Risca) and Castle Court (Crosskeys). Castle Court has already been vacated and site investigation works have already been commissioned. The ward member, Councillor Simmonds has been informed and is engaged in the process).

Procurement

- 5.1.12 Willmott Dixon have been engaged via the SCAPE Framework. The SCAPE National Construction Major Works Framework is a fully compliant public sector Framework developed by a partnership including Derby City Council, Derbyshire County Council, Nottingham City Council, Nottinghamshire County Council, Gateshead Council, Warwickshire County Council which has delivered over 1200 public sector led schemes across the UK. Working with a Tier 1 contractor that has a regional base and employs a significant number of people from within the region, assists in supporting the circular economy and helps to mitigate risk.
- 5.1.13 Caerphilly Homes has utilised the Framework on the IHP funded schemes in Treceenydd and Trethomas and also on Oakdale.
- 5.1.14 The total project cost of the scheme is estimated to be £19.8 million of which £18.2m are costs attributed to Willmott Dixon and will be included in the Delivery Agreement (DA). Part of the cost will be funded through Social Housing Grant (SHG) however the grant rate has yet to be determined.
- 5.1.15 As part of the SCAPE Framework an overall Social Return on Investment (SROI) based on local labour, local spend and social value activities must be delivered. A social value plan is being prepared in collaboration with Caerphilly Cares which will outline how Willmott Dixon and their supply chain will deliver the SROI requirements and how those requirements will help meet the priorities included in the corporate plan. A construction related employment programme will form part of the offer.

5.2 Conclusion

- 5.2.1 The work undertaken in partnership with Willmott Dixon on the pilot sites and the Oakdale development is closely aligned to what the Council are seeking to deliver on the proposed Ty Darran later living scheme using the steel frame primaframe solution developed and manufactured by Caledan Ltd.
- 5.2.2 The evolution of the solution used on the pilot sites to Oakdale and Ty Darran should bring efficiencies in relation to professional services utilised on both schemes and economies of scale in relation to the use of the steel frame and standardised materials and products. It will also bring greater opportunities to deliver improved social value through minimising environmental waste and impact, strengthening the local supply chain, shared apprenticeship and employment opportunities, training and community benefits.
- 5.2.3 The 45-apartment scheme will be the first of its kind built by Caerphilly Homes and will set the standard and the quality of future Caerphilly Homes' later living / agile aging accommodation.
- 5.2.4 Approval is therefore sought from Members to sign the Delivery Agreement with Willmott Dixon in order to deliver a new, flagship later living scheme at the site of the former Ty Darran care home, Risca by Spring 2025.

6. ASSUMPTIONS

- 6.1 Construction will start on 30 October 2023. The site will be complete by Spring 2025.

- 6.2 The reserved matters application will be approved. Outline planning permission was approved by Planning Committee on 23rd March 2022.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessment suggests that this proposal will have a positive impact on individuals and couples aged 60 and over (those over 55 years of age with particular needs will also be considered). It will also have a positive impact upon those people aged 60 and over who would benefit from accessible accommodation.

7.2 Link to Integrated Impact Assessment

8. FINANCIAL IMPLICATIONS

- 8.1 The total cost of the scheme is £19.8m of which £18.2m is attributed to the costs incurred by Willmott Dixon to deliver the scheme and is the figure that will be included in the Delivery Agreement (DA). The exact amount of Social Housing Grant that will be drawn to help deliver the scheme has yet to be calculated.
- 8.2 The development of the former Ty Darran care home site is included in the HRA Business Plan over the next 3 years.
- 8.3 The current Business Plan also assumes that borrowing will be necessary to progress schemes of this nature and the level of borrowing remains viable within the plan. The HRA has an agreed borrowing cap of £100m which has not yet been reached.

9. PERSONNEL IMPLICATIONS

- 9.1 Caerphilly Homes are in the process of recruiting a Construction / Contract Manager to oversee the delivery of the scheme. The Construction / Contract Manager will be supported by a Project Manager and a Clerk of Works.
- 9.2 The resources allocated to the project will be continually reviewed. Should additional resources be required, the need will be discussed with the Head of Service.

10. CONSULTATIONS

- 10.1 Ward members have been engaged throughout the development of the project together with residents who are scheduled to move into the new scheme from Waunfawr House, St Mary's Court and formerly Castle Court (now decommissioned). An engagement event was held in Risca Library during Spring 2023 which invited the local community to engage in the design proposals.
- 10.2 Further engagement with ward members and residents is scheduled to take place during Autumn 2023.
- 10.3 The following teams have been consulted upon the draft Delivery Agreement (DA) prior to the discussion at Cabinet on 18th October 2023.
- Legal
 - Building Consultancy

- Insurance
- Information Unit
- Caerphilly Homes – Repairs and Maintenance, Landlord Services.
- Procurement

- 10.4 This report was presented to the Housing and Environment Scrutiny Committee on the 19th September 2023.
- 10.5 Members asked if the land at Ty Melin and the other sheltered housing schemes at St Marys, Castle Court etc, will be re-used for other Caerphilly Homes schemes. The scrutiny committee were advised that site investigatory works are already scheduled to take place at Castle Court with the other schemes to follow.
- 10.6 Members stated that most of their questions related to both Oakdale and Ty Darren and were pleased to see the plans. They gave their support for the proposals and it was moved and seconded that the recommendations be approved. By way of Microsoft Forms confirmation this was unanimously supported.

11. STATUTORY POWER

11.1 Local Government Act 1972, Housing Wales Act 2014

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

Consultees: Councillor Sean Morgan, Leader of Council
Councillor Andrew Whitcombe, Chair Housing and Environment Scrutiny Committee (whitca@caerphilly.gov.uk)
Councillor Shane Williams, Vice Chair Housing and Environment Scrutiny Committee (willis42@caerphilly.gov.uk)
Councillor Shayne Cook, 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)
Nick Taylor-Williams, Head of Housing (taylon1@caerphilly.gov.uk)
Rob Tranter, Head of Legal Services and Chief Monitoring Officer (trantrj@caerphilly.gov.uk)
Stephen R Harris, Head of Financial Services and Section 151 Officer (harrisr@caerphilly.gov.uk)
Lynne Donovan, Head of People Services (donov1@caerphilly.gov.uk)
Elizabeth Lucas, Head of Customer and Digital Services (lucasej@caerphilly.gov.uk)
Ian Evans, Procurement and Information Manager (evansi1@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 (allenl@caerphilly.gov.uk)