

2nd Replacement
Caerphilly County Borough
Local Development Plan up to 2035

PS5 Housing Land Supply and Affordable Housing Target

October 2022

Mae'r ddogfen hon ar gael yn Gymraeg, ac mewn
ieithoedd a fformatau eraill ar gais.

This document is available in Welsh, and in other
languages and formats on request.

Contents

1	Introduction.....	2
2	Flexibility Allowance.....	3
3	Components of Housing Supply.....	4
	Total Completions	4
	Units Under Construction	5
	Large Windfall Sites	5
	Small Windfall Sites	7
	Sites with Planning Permission	8
	Planning applications awaiting determination.....	11
	Components of Housing Supply	12
4	Affordable Housing Target Calculation.....	13
	Local Housing Market Assessment	13
	Calculation of the Affordable Housing Target.....	13
	Affordable Housing exceptions sites	16
	Commuted sums.....	17
	Appendix 1 - Sites with Planning Permission or deferred for completion of s106 agreement – anticipated to be delivered in the plan period.....	18
	Appendix 2 - Applications awaiting determination – anticipated to be delivered in the plan period.....	20

Figures

Figure 1:	Completions on allocated and windfall sites.....	6
Figure 2:	Housing Trajectory in 2021 AMR	9

Tables

Table 1:	Completions on large sites by Regeneration Masterplan area	4
Table 2:	Completions on small sites by Regeneration Masterplan area	5
Table 3:	Units under construction on large sites by Regeneration Masterplan area	5
Table 4:	Small Site Completions 2006-2021	8
Table 5:	Units with planning permission by strategy area	10
Table 6:	Planning applications awaiting determination.....	11
Table 7:	Components of Housing Land Supply	12
Table 8:	Affordable Housing Target Calculation.....	14
Table 9:	Affordable Housing contribution from new sites	15
Table 10:	Affordable Housing contribution from new sites	16

1 Introduction

- 1.1 The 2nd Replacement LDP (2RLDP) must ensure that sufficient land is available to meet the future needs of the population of the County Borough. This evidence base paper has been prepared to consider how much land is required to be allocated for housing in the 2RLDP to meet the preferred level of population and housing growth.
- 1.2 This document should be read alongside the Population and Housing Growth Options Evidence Base Paper, which identifies a number of demographic growth options for population, households and dwellings. The preferred housing requirement for the plan period (2020 – 2035) is **6,750 dwellings**, or 450 dwellings per annum. A flexibility allowance to account for the non-delivery of sites must be applied to the housing requirement, and this document provides justification for the assumptions used to determine this.
- 1.3 In accordance with the Development Plans Manual (DPM), this paper assesses the components of the housing supply including completions, units under construction, existing sites with planning permission and assumptions for small and windfall site completions and provides justification for the assumptions used. Having regard for the committed elements of the housing supply, the paper will also set out how much land will need to be allocated to meet the housing requirement.
- 1.4 The delivery of affordable housing is a key policy objective of Future Wales, the National Development Framework, and Planning Policy Wales (PPW) is clear that a development plan should include a target for affordable housing based on the Local Housing Market Assessment (LHMA) and the expected affordable housing contributions that policies in the development plan. This paper sets out the evidence to support the affordable housing target.

2 Flexibility Allowance

- 2.1 The DPM (Edition 3, March 2020) provides guidance on how to calculate the housing supply. The housing supply, or housing provision is the total land that the plan can accommodate for housing, taking account of the housing requirement, plus a flexibility allowance:

$$\text{Housing Requirement} + \text{Flexibility Allowance} = \text{Housing Provision}$$

- 2.2 In making provision for housing land, it is good practice to allocate more land than the housing land requirement to allow for choice and flexibility, as not all sites will come forward in the timescales anticipated. The DPM indicates that the level of the flexibility allowance is a matter for each LPA to determine based on local issues, but the starting point for such considerations could be a 10% flexibility allowance. Variation from this should be robustly evidenced.
- 2.3 The adopted LDP incorporated an over-allocation of 19% above the housing requirement to allow for choice and flexibility. However, a key component of the strategy of the adopted LDP was to target development to the Heads of the Valleys Regeneration Area to diversify the housing stock and retain and attract people to the area. Viability is more challenging in this part of the County Borough, and the higher flexibility allowance in the adopted LDP was reflective of the greater uncertainty around the delivery of housing sites.
- 2.4 Since the LDP was adopted, there has been a significant change in national planning policy in respect of the evidence required to demonstrate the deliverability and viability of allocations and therefore only sites that are realistically likely to come forward in the plan period will be allocated in the plan. Where it is difficult to demonstrate deliverability, the plan can allocate aspirational sites that are important for regeneration purposes. Such aspirational or regeneration sites will not form part of the housing supply. The emphasis on the viability and deliverability of sites will provide a greater degree of certainty that any allocated sites will be built out than was the case in the adopted LDP.
- 2.5 In light of the significant concerns regarding deliverability, the Preferred Strategy seeks to align the level of growth in the Heads of the Valleys to market demand, rather than the continuation of a strategy which focuses significant growth in this area. The Preferred Strategy instead focuses new housing development in areas where it has been demonstrated that it is viable for the market to deliver new housing. Having regard for this, it is considered appropriate to apply a 10% flexibility allowance to the housing requirement, rather than the higher level included in the adopted LDP.
- 2.6 A 10% flexibility allowance above the housing requirement of 6,750 dwellings would result in a housing provision figure of **7,425 dwellings**.

3 Components of Housing Supply

Total Completions

- 3.1 In the first year of the plan period, 1st April 2020 to 31st March 2021, a total of **417 dwellings** were built. This comprised 319 units on large sites (10 or more dwellings) and 98 units on small sites (less than 10 dwellings). The large site completions are set out in the table below, which has been split by area. The table also records whether the completions were for market or affordable housing (AH) and how many of these affordable units were secured through Section 106 agreements. Where a Registered Social Landlord (RSL) is the developer, there is normally a Section 106 agreement in place securing a policy compliant level of affordable housing and these units have been included in the s106 column.

Site Name	Settlement	Total	Market	AH	AH S106	AH non-s106
North of Pandy Road	Bedwas	42	28	14	14	0
South of Glendale	Caerphilly	4	4	0	0	0
Caerphilly Magistrates Court	Caerphilly	34	0	34	14	20
Land at Virginia Park	Caerphilly	11	0	11	4	7
Land at Hendredenny Drive	Caerphilly	8	8	0	0	0
Former All Saints Church	Llanbradach	10	0	10	4	6
De Winton Public House	Llanbradach	10	0	10	4	6
Caerphilly Basin		119	40	79	40	39
Land at Ty Mawr	Croespenmaen	50	1	49	13	36
Land north of Glanyrafon	Fleur De Lys	5	5	0	0	0
Oakdale Golf Course	Oakdale	76	57	19	19	0
Woodfield Park FH	Oakdale	12	12	0	0	0
Hawtin Park	Pontllanfraith	24	22	2	2	0
Mid Valleys		167	97	70	34	36
The Stores, Albertina Road	Newbridge	12	12	0	0	0
Lower Sirhowy and Ebbw Valleys		12	12	0	0	0
Bedwellty School	Aberbargoed	21	21	0	0	0
Heads of the Valleys		21	21	0	0	0
Greater Ystrad Mynach		0	0	0	0	0
	Total	319	170	149	74	75

Table 1: Completions on large sites by Regeneration Masterplan area
Source: 2021 Annual Monitoring Report data

- 3.2 The distribution of small site completions by area and an assessment as to whether the completions were market or affordable housing is set out in Table 2. The Table also separates affordable housing delivered as part of a Section 106 agreement from affordable housing delivered as part of an RSL or Council build programme.

Masterplan Area	Total	Market	AH	AH S106	AH non-s106
Caerphilly Basin	35	35	0	0	0
Mid Valleys	14	14	0	0	0
Lower Sirhowy and Ebbw Valleys	23	22	1	1	0
Heads of the Valleys	18	9	9	0	9
Greater Ystrad Mynach	8	2	6	0	6
Total	98	82	16	1	15

Table 2: Completions on small sites by Regeneration Masterplan area
Source: 2021 Annual Monitoring Report data

- 3.3 Overall, of the 417 dwellings that have been completed in 2020-21, **164 units were affordable** (149 units on large sites and 15 units on small sites). In total, 75 of the affordable housing units were delivered as part of a Section 106 agreement (74 units on large sites, and 1 unit on a site of less than 10 dwellings).

Units Under Construction

- 3.4 As of 1st April 2021, **207 dwellings** were under construction on large sites. The table below shows a breakdown of completions by area and by tenure type.

Masterplan Area	Total	Market	AH	AH S106	AH non-s106
Caerphilly Basin	79	43	36	25	11
Mid Valleys	82	55	27	14	13
Lower Sirhowy and Ebbw Valleys	4	4	0	0	0
Heads of the Valleys	39	21	18	8	10
Greater Ystrad Mynach	3	3	0	0	0
Total	207	126	81	47	34

Table 3: Units under construction on large sites by Regeneration Masterplan area
Source: 2021 Annual Monitoring Report data

- 3.5 There are units under construction on small sites, but these have not been included in the total in the table above to avoid double counting with the small windfall site assumptions.

Large Windfall Sites

- 3.6 For the purposes of this calculation, 'windfall sites' are defined as sites that have a capacity of 10 or more units that have been developed but were not allocated for housing at the time the application was submitted in the adopted LDP or any previous plans, including the Unitary Development Plan (UDP). Sites that were granted permission as windfall sites to the UDP and were subsequently allocated in the LDP to reflect the permission granted under

the UDP have been classified as 'allocated sites' for the purposes of the analysis, although in reality they may have been windfalls at the time of allocation.

- 3.7 The total number of units completed each year has been counted, rather than the number of units with planning permission. This means completions for a single site may extend beyond one completion year.
- 3.8 Figure 1 identifies the number of completions that have been on allocated sites and windfall sites in each full year since the LDP was adopted. It is evident from the graph that in the period immediately after the adoption of the plan, a significant proportion of housing completions were on allocated sites, with windfall sites making a much smaller contribution.

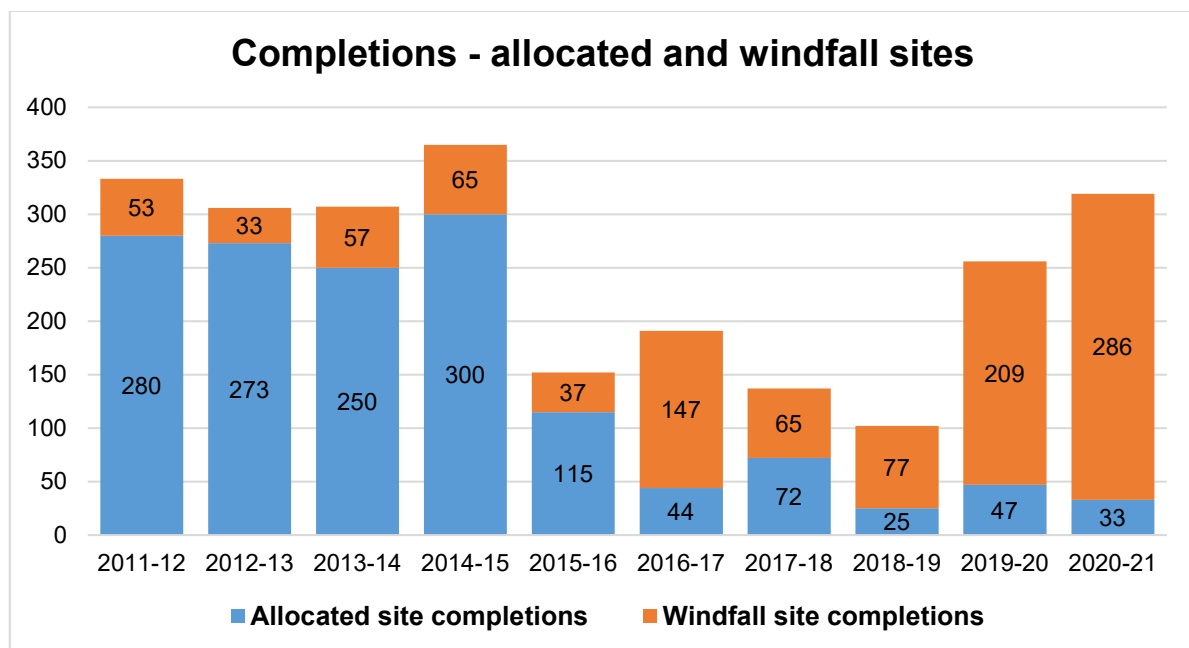


Figure 1: Completions on allocated and windfall sites
Source: JHLAS and Annual Monitoring Reports

- 3.9 From 2015-16 onwards, the proportion of completions on windfall sites increased significantly and, in the last 2 years, windfall sites have accounted for almost all completions. The increase in the proportion of windfall completions is usual over a plan period, as there are inevitably sites that become available as a result of circumstances that would not have been known at the time of the adoption of the plan.
- 3.10 However, windfall completions have also been heavily influenced by the withdrawal of the Replacement LDP in 2016. The withdrawn plan reached Deposit stage and allocated a number of greenfield sites on the edge of settlement for housing. Following the withdrawal of the plan, planning applications were submitted for several of the sites that were allocated within the withdrawn Deposit Replacement LDP. At the time that these applications were determined, the Council did not have a 5-year land supply for housing and national planning policy in Technical Advice Note (TAN 1): Joint Housing Land Availability Studies stated that "considerable" weight should be given to the lack of a 5-year land supply when determining planning applications for housing. A number of applications for departure sites that were contrary to the adopted LDP were approved by the local planning authority or at appeal, and completions on these units are included within the windfall figure. It is important to note that, had the Replacement LDP not been withdrawn in 2016, many of these sites would have been allocations.

- 3.11 The average number of windfall completions in the 10 years since the LDP was adopted has been 103 units per annum. However, this is skewed by the large number of windfall completions in the last 2 years of the plan period. If the greenfield edge of settlement sites that were allocated in the withdrawn RLDP are excluded from the windfall total, the windfall completions in 2019-20 would be 92 units and in 2020-21 would be 106 units. Overall, this would mean a windfall completion rate of **73 dwellings per annum**. It is considered that this is an appropriate assumption for the plan.
- 3.12 To avoid double counting with committed sites, the windfall allowance assumption will only be applied to the remaining years of the plan period following the adoption of the 2RLDP, the first full year of which is likely to be 2025/26. Overall, this would mean a windfall assumption of **730 dwellings**, to be delivered over the last 10 years of the plan period. This figure will be included within the housing trajectory that will be prepared for inclusion in the 2RLDP at Deposit stage.
- 3.13 The number of windfall sites that are delivered is dependent on a number of factors, including the approach to allocating sites, the LDP strategy and wider economic considerations. Due to concerns over viability, all adopted LDP allocations will be reconsidered and only those sites that can evidence that they are deliverable and viable will be allocated. This approach will mean that there will be sites that are currently allocated in the adopted LDP that will not be allocated, but remain within settlement limits, where the principle of development is acceptable. There will be a number of sites within this category, and these sites could make an important contribution to the windfall contribution if delivered in the future.
- 3.14 The Covid 19 pandemic has facilitated significant changes in the way in which people work, which has prompted many businesses to reconsider whether their existing premises remain suitable for their needs. The full impact of the pandemic on workplaces is not yet fully known, but there is an expectation that there will be businesses who choose to relocate to premises that better suit their needs, which could potentially result in surplus sites or premises that offer redevelopment opportunities. The Council in particular holds a significant number of assets that are currently being rationalised in light of the pandemic, which may also result in a number of buildings and parcels of land becoming surplus to requirements.
- 3.15 In addition, the Council's 21st Century Schools Band B 2019 to 2026 programme is progressing. Known schemes will be identified within the 2RLDP. However, it is anticipated that surplus sites may arise following the implementation of the programme, which would be potentially classified as windfall sites. Furthermore, the Council will commence work on Band C proposals over the plan period and this, in turn, may also result in surplus sites being made available for housing.
- 3.16 Caerphilly Homes, the Council's housebuilding team, has recently commenced on an ambitious housebuilding programme aiming to build 400 homes in a 5-year period. The proposals incorporate a range of sites in terms of scale, from infill sites of less than 10 dwellings (which will be incorporated in the small sites assumption) up to larger sites of such as the former Oakdale Comprehensive school. Known development opportunities will be assessed through the candidate sites process and allocated where appropriate, but there may be development opportunities that arise in addition to these that would also be considered to be windfall sites.

Small Windfall Sites

- 3.17 Small sites are developments of less than 10 dwellings and include individual and small groups of dwellings, self-build dwellings, net gains from conversions of a single dwelling into

two or more units and conversions of non-residential buildings such as shops into residential.

- 3.18 The assumptions for small sites based on past trends are set out within Table 4 below. There has been some variation in the number of small site completions over the plan period, with the number of completions ranging from between 20 and 98 units per annum. Over the adopted LDP plan period, there has an average of 60 units on small sites completed per annum, compared to 57 units per annum on average over a 10-year period and 69 units per annum over the latest 5 years.

Year	Number of small site completions
2006-7	84
2007-8	78
2008-9	65
2009-10	51
2010-11	48
2011-12	57
2012-13	38
2013-14	44
2014-15	49
2015-16	35
2016-17	93
2017-18	53
2018-19	20
2019-20	80
2020-21	98
Total	893
Average 5 years	69
Average 10 years	57
Average 15 years	60

Table 4: Small Site Completions 2006-2021
Source: JHLAS and Annual Monitoring Reports

- 3.19 For the purposes of the housing land supply calculation, the 15-year average figure of **60 small site completions per annum** will be used, as 15 years represents a full plan period and would include an economic cycle including the economic boom and recession and the effects of the Covid-19 pandemic on recent delivery.

Sites with Planning Permission

- 3.20 As part of the 2021 AMR, the Council prepared a Housing Trajectory which set out forecast housing completion rates on sites with planning permission and sites allocated in the LDP. The housing trajectory was agreed with the Housing Stakeholder Group, comprising representatives from the housebuilding industry, including the Home Builders Federation (HBF), private sector developers, RSLs, planning consultants, landowners and their agents, utility providers and the Local Authority (Planning, Housing and Property Services).
- 3.21 To inform the trajectory in the AMR, data was provided on the number of units that were likely to be delivered per annum over the next 5 years (21/22 to 25/26) and the number that could be delivered beyond this timeframe. There is no requirement to report on the number

of forecast completions beyond the end of the plan period, but these agreed assumptions were contained in housing trajectory in Appendix 1 of the 2021 AMR for information purposes. An extract from the 2021 AMR is shown in Figure 2 below. In total, the housing trajectory indicates that it is anticipated that there will 1,969 forecast completions on large sites with planning permission and allocated sites in the next 5 years. This includes the 207 units under construction on large sites. If the units under construction are discounted from the figures, the additional anticipated completions on sites with planning permission over the next 5 years is 1,792 units.

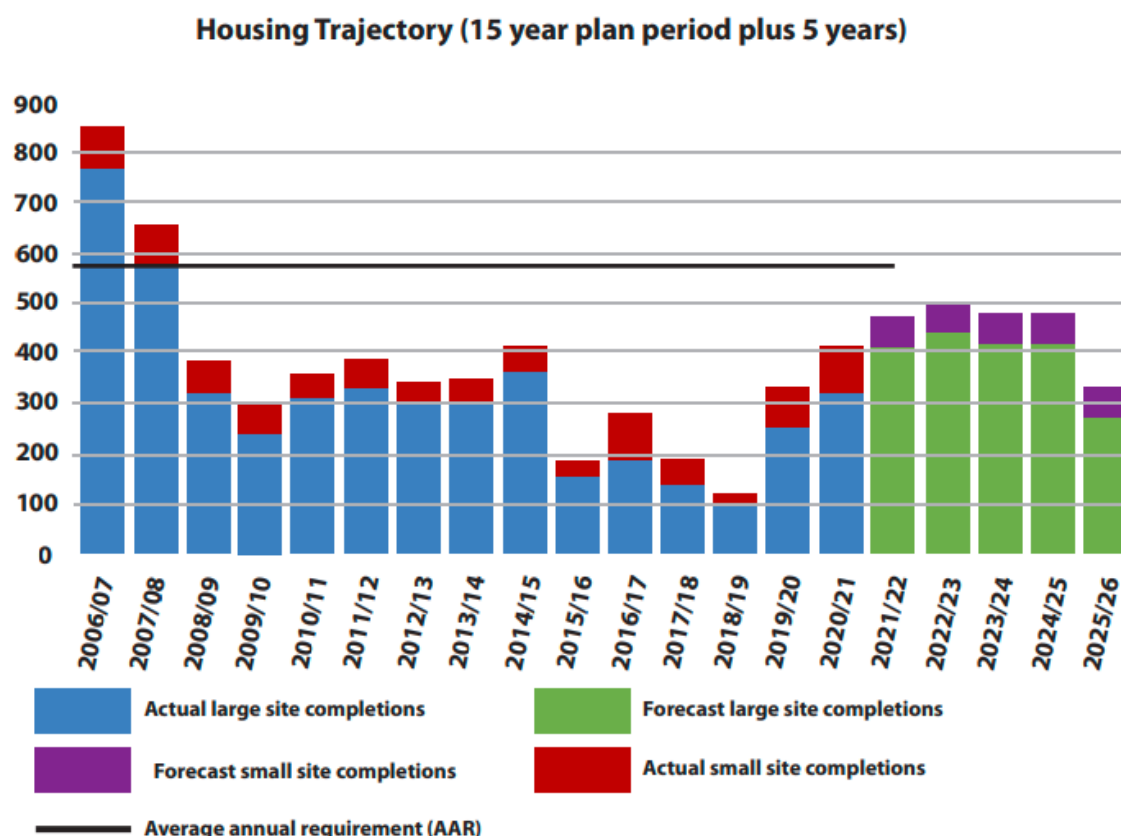


Figure 2: Housing Trajectory in 2021 AMR
Source: 2021 Annual Monitoring Report

- 3.22 It should be noted that the 2021 housing trajectory only includes anticipated completions on sites that will be delivered in the 5 years from 1st April 2021, as this covered the period up to the first full year following the expected adoption of the 2RLDP. There will also be anticipated completions from large sites beyond the 5-year period but still within the plan period that need to be factored into the housing land supply calculation.
- 3.23 It is important that the 2RLDP evidence base uses the most up to date information. Where there has been a change of circumstances since the last housing trajectory was prepared which has raised questions over the deliverability of a site, this site has been removed from the list of anticipated completions. Furthermore, there have also been instances where the capacity of a site has changed (for example through the submission of a new or amended application on a site that had previously had permission) and the trajectory has been updated to reflect this.
- 3.24 Table 5 below sets out the number of units with planning permission on large sites. Overall, 1,874 units on sites with planning permission are considered to be realistically likely to come forward during the plan period. Of these, 1,087 units will be for market housing and 787 for affordable housing. This figure has increased slightly from the figure contained in the 2021 housing trajectory as a result of a reconsideration of the deliverability of sites and

an amendment to site capacities in light of new information, together with the inclusion of new sites granted planning permission since the base date.

- 3.25 Appendix 1 sets out the full list of sites summarised in the Table. Where sites are under construction, to avoid double counting, the figure provided in the table is the number of units that were remaining on the site as of 1st April 2021. This excludes both units that have been completed and units that were under construction as of the base date.

	Planning Permission (Total)	Planning Permission (Market)	Planning Permission (Affordable)
Caerphilly Basin	893	621	272
Mid Valleys	571	286	285
Lower Sirhowy and Ebbw Valleys	86	20	66
Heads of the Valleys	88	81	7
Greater Ystrad Mynach	236	79	157
Total	1,874	1,087	787

Table 5: Units with planning permission by strategy area
Source: Planning records

- 3.26 The DPM indicates that a 'non-delivery allowance' may be factored into the land bank, discounting a proportion of sites based on local evidence. The Manual states that this may not be appropriate for all Local Planning Authorities (LPAs), but relevant for LPAs with a large number of land bank sites, not those with just a few sites, or in areas where the land bank is made up of numerous small sites which take a long time to complete. The non-delivery rate has ranged between 20-50% in other areas in Wales, depending on local circumstances.
- 3.27 Overall, there were 2,497 units on sites of 10 or more dwellings that had the benefit of planning permission for housing. However, as explained above, not all sites that have planning permission are anticipated to be delivered, with only 1,874 of the units included within the anticipated completions total. Based on these figures, the non-delivery rate is anticipated to be around 25%, which is within the range identified in the DPM.

Planning applications awaiting determination

	Applications awaiting determination (Total)	Applications awaiting determination (anticipated Market)	Applications awaiting determination (anticipated Affordable)
Caerphilly Basin	250	167	83
Mid Valleys	0	0	0
Lower Sirhowy and Ebbw Valleys	17	0	17
Heads of the Valleys	76	76	0
Greater Ystrad Mynach	0	0	0
Total	343	243	100

Table 6: Planning applications awaiting determination
Source: Planning records

- 3.28 In addition to the sites with planning permission, there are a number of sites upon which planning applications have been submitted but the applications were not determined as of the base date of 1st April 2021. As set out in Table 6, there are 343 units within this category, of which 243 units are anticipated to be market housing and 100 are anticipated to be affordable.
- 3.29 A full list of the sites is included in Appendix 1. It should be noted that only those sites where development would be acceptable in principle are included. The list includes one site where the developer is Caerphilly Homes.
- 3.30 Two of the sites also form part of sites allocated for housing in the adopted LDP (Austin Grange – part of HG1.65 Land between Van Road, Maes Glas and the Railway, Caerphilly and Bedwellty Road, Aberbargoed, part of allocation HG1.15). The DPM does indicate that allocations can be rolled forward from a previous plan, but careful justification is required to demonstrate that the sites can be delivered. The submission of detailed applications on both of these sites is an indication that they are considered to be realistically likely to come forward.

Components of Housing Supply

	Component of Supply	Assumption	Number of units
A	Total Completions	Large and small completions in 2020/21	417
B	Units under construction	As of base date of 1 st April 2021	207
C	Units with planning permission	Only those sites considered deliverable in the plan period (large sites only)	1,874
D	Applications awaiting determination	Only those sites acceptable in principle (large sites only)	343
E	Large windfall sites	Based on 73 units per annum average for the last 10 years of the plan period	730
F	Small windfall sites	Based on 60 units per annum for the remaining 14 years of the plan period	840
G	Total		4,411
H	Housing Requirement		6,750
I	Housing Provision	Housing Requirement plus 10% Flexibility Allowance	7,425
J	New allocations required	(I – G)	3,014

Table 7: Components of Housing Land Supply

- 3.31 Table 7 above summarises each of the assumptions set out in the previous sections. Overall, there are **4,411 units** that form part of the existing land supply. When this is deducted from the Housing Provision figure, this indicates that an additional **3,014 units** would be required to be allocated in the 2RLDP.

4 Affordable Housing Target Calculation

- 4.1 Planning Policy Wales (PPW, Edition 11) states “*Development plans must include a target for affordable housing (expressed as numbers of homes). The target for affordable housing should be based on the LHMA and identify the expected contributions that the policy approaches identified in the development plan (for example, site thresholds, site specific targets, commuted sums and affordable housing exception sites) will make to meeting this target. The target should take account of deliverability and viability which will be influenced by the anticipated levels of finance available for affordable housing, including public subsidy, and other community benefit contributions being sought by the planning authority.*”

Local Housing Market Assessment

- 4.2 The latest Local Housing Market Assessment (LHMA) was published by the Council in April 2018. This assessment identified a total need of affordable housing of 282 units per annum over 5 years (inclusive of turnover for social rented units). This is broken down into:
- 169 social rented units; and
 - 113 units for intermediate products (56 low cost home-ownership and 57 intermediate rent).
- 4.3 The 169 social rented units comprises of:
- a shortfall of 25 units of accessible housing;
 - a shortfall of 315 units of general needs accommodation; and
 - a surplus of 171 units of older person’s accommodation.
- 4.4 The LHMA contains analysis of need at both ward and housing market area level, with 4 housing market areas being identified within the County Borough. Overall, the need for affordable housing is highest in the Caerphilly Basin and Northern Connections Corridor. There is a net surplus of affordable housing in the Heads of the Valleys and, to a lesser extent, Lower Islwyn, but there is a need for specific types of properties in all areas, particularly 1-bedroom properties.
- 4.5 Welsh Government have indicated that there is a need to update the LHMA in accordance with a new methodology published on 31st March 2022. A new LHMA will therefore be prepared as part of the evidence base for the 2RLDP at Deposit stage.

Calculation of the Affordable Housing Target

- 4.6 The affordable housing target must reflect what can realistically be delivered through the planning system i.e., through Section 106 agreements or planning conditions, which require the provision of a percentage of affordable housing. Table 8 below sets out the components that have been factored into the affordable housing target calculation.

	Components of Affordable Housing Target	Assumption	Number of units
A	Total Completions	Section 106 affordable housing – large and small completions 2020-21 (Tables 1 and 2)	75
B	Units under construction	As of base date of 1 st April 2021 – Section 106 affordable units (Table 3)	47
C	Units with planning permission	Only those sites considered deliverable in the plan period – Section 106 affordable housing (Appendix 1)	387
D	Applications awaiting determination	Only those sites acceptable in principle – Section 106 affordable housing based on adopted LDP policy requirement	41
E	Potential contribution from new allocations	Application of affordable housing targets in adopted LDP to the new allocations required figure based on a proportional distribution	652
F	Potential contribution from windfall sites	Application of affordable housing targets in adopted LDP to the large windfall figure based on a proportional distribution	158
	Total		1,360

Table 8: Affordable Housing Target Calculation

- 4.7 Row A takes account of what has been delivered in the first year of the plan period using information collated in the previous section as part of the housing land supply calculation. Overall, 75 units were delivered via Section 106 agreements, with Table 1 identifying that 74 of these units were on large sites, and Table 2 indicating that one of the units was on a small site.
- 4.8 A further 47 affordable units secured through Section 106 agreements were under construction as of the 1st April 2021, as shown in Row B. This information has been taken from Table 3 in the previous section.
- 4.9 Rows C and D identify the number of units secured through Section 106 agreements on sites with planning permission, but where construction has not commenced, or where a planning application is currently awaiting determination and the principle is considered acceptable. In these cases, it is assumed that the affordable housing that will be delivered will be at policy compliant levels.
- 4.10 It should be noted that a large number of new dwellings have been delivered in the County Borough on sites that have been brought forward by Registered Social Landlords (RSLs) with many of these schemes being funded through WG's Social Housing Grant programme. Caerphilly Homes have also commenced work on an ambitious housebuilding programme to seek to increase the supply of affordable housing in the County Borough. It is the

Council's policy to require RSLs to enter into a Section 106 agreement requiring a policy compliant level of affordable housing to be secured, even if a scheme is proposed for 100% affordable housing. This approach ensures that affordable housing would be required on a scheme even if circumstances change and a site is ultimately sold on to a private developer. In the case of Caerphilly Homes schemes, affordable housing is secured by condition rather than Section 106 agreement. As there are Section 106 agreements or conditions in place on RSL or Council led schemes, the number of dwellings secured as part of these agreements has been factored into the overall figures on the number of affordable units secured by the planning system, rather than only including delivery by the private sector.

- 4.11 As set out in Table 7, there is a requirement for an additional 3,014 new dwellings to be allocated in the plan. At this Preferred Strategy stage, it is not known which candidate sites are likely to be allocated, as work on assessing their suitability, deliverability and viability is still ongoing. It will also be necessary to prepare an updated Affordable Housing Viability Assessment as part of the evidence base for the Deposit Plan, which will consider the area specific targets and thresholds for affordable housing.
- 4.12 As the viability work is not complete, and the spatial distribution of sites will, to a certain extent, be determined by more detailed site assessment work, it is considered that it is most appropriate to calculate the potential contribution that can be delivered based on the area specific targets set out within Policy CW11 of the adopted LDP:
- Caerphilly Basin (Excluding Aber Valley) – 40%
 - Northern Connections Corridor (Mid Valleys and Ystrad Mynach) – 25%
 - Rest of the County Borough (Lower Ebbw and Sirhowy, Aber Valley) – 10%
 - Heads of the Valleys – No Target
- 4.13 As the sites that will be allocated are not known, it has been assumed that the future location of development will be proportionate in respect of the existing population, as the Preferred Strategy for the 2RLDP seeks to focus development in areas that are well related to transport nodes and town centres, rather than target development to particular strategy areas and constrain growth in others.

	2020 Population	Percentage population	Affordable housing target	Housing requirement	Potential AH contribution
Caerphilly Basin (excluding Aber Valley)	49,731	27.4%	40%	825	330
Heads of the Valleys	31,315	17.2%	0%	519	0
Lower Ebbw and Sirhowy plus Aber Valley	38,218	21.0%	10%	634	63
Mid Valleys and Ystrad Mynach	62,467	34.4%	25%	1036	259
	181,731			3014	652

Table 9: Affordable Housing contribution from new sites

- 4.14 Using this approach, it is identified that there will be a potential contribution of 652 affordable units delivered through the planning system through the delivery of new allocations. **This figure will change once detailed viability work has been undertaken as this will determine area specific targets and thresholds.**
- 4.15 As set out in the previous section, an assumption for large windfall sites has been factored into the housing land supply calculation. A proportion of units on these windfall sites will be required to be affordable, in line with policy requirements. By their nature, the spatial distribution of windfall sites is not known and therefore it is necessary to make assumptions on the likely contribution that windfall sites can make. For consistency with Table 9, it can be assumed that windfall sites will also be distributed proportionately in line with the existing population. The existing adopted LDP targets have been used. However, these figures will also change once detailed viability work has been undertaken.

	2020 Population	Percentage population	Affordable housing target	Windfall	Potential AH contribution
Caerphilly Basin (excluding Aber Valley)	49,731	27.4%	40%	200	80
Heads of the Valleys	31,315	17.2%	0%	126	0
Lower Ebbw and Sirhowy plus Aber Valley	38,218	21.0%	10%	154	15
Mid Valleys and Ystrad Mynach	62,467	34.4%	25%	251	63
	181,731			730	158

Table 10: Affordable Housing contribution from new sites

Affordable Housing exceptions sites

- 4.16 PPW also indicates that the contribution from affordable housing exceptions sites should be factored into the affordable housing target. The adopted LDP includes Policy CW12 on affordable housing exception sites, which would apply on small sites in or adjoining rural settlements where housing would not normally be permitted and there is a genuine local need that could not otherwise be met within the settlement or within a nearby settlement.
- 4.17 This policy was included within the adopted LDP by the Inspector, who considered that a policy of this nature would “*increase the plan’s scope to deliver affordable housing, including in the HOVRA strategy area where [the policy] would not deliver affordable housing but where pockets of need may exist. Given the extent to which the affordable housing delivery target in the Plan fall short of levels of identified need, I consider that an exception sites policy is a necessary element of the Plan’s affordable housing provisions.*”
- 4.18 Since the LDP was adopted in 2010, the affordable housing exceptions policy has not been used, as no planning applications for affordable housing on exceptions sites have been submitted. Given the evidence from the last 11 years that there has been no contribution to the affordable housing target from exceptions sites, it is not considered appropriate to include an exceptions site contribution within the overall affordable housing target. However, it is still considered necessary to include an exceptions policy within the Deposit 2RLDP to allow such sites to come forward should circumstances change in the future.

Commuted sums

- 4.19 Technical Advice Note 2: Planning and Affordable Housing (TAN 2) states that there is a strong presumption that affordable housing secured through the planning system should be provided on the application site so that it contributes to the development of socially mixed communities. Off site provision of affordable housing, or financial contributions in lieu of on-site provision should only be provided in exceptional circumstances.
- 4.20 The Council's Supplementary Planning Guidance on Affordable Housing Obligations (LDP1) indicates that off-site provision will only be considered in exceptional circumstances where it would be unfeasible for on-site provision to be made, or where the LA's strategic housing aims would not be achieved. This may include circumstances where:
- The on-site management of affordable units cannot be secured effectively.
 - The provision of affordable housing in another location within the vicinity would better contribute to mixed communities by widening the choice of housing.
 - The provision of the affordable units could not physically be provided on site by virtue of their size, type and level of contribution.
 - The development is for a self-build scheme where the overall number of plots is less than 10.
 - There are other exceptional circumstances as considered appropriate by the local authority.
- 4.21 In line with the policy, affordable housing has been provided on-site in the majority of cases. As of 1st April 2021, the Council had only received £65,293.14 in total from combined commuted sum contributions since the start of the plan period. Each of these contributions was secured from plots on a self-build scheme. This financial contribution will be spent in accordance with the list of options that commuted sums can be used for as set out in the SPG.
- 4.22 In light of the Council's policy stance in respect of on-site delivery, and the small contribution that has been received to date from commuted sums, it is not considered necessary to factor in a specific target for commuted sums, as past evidence indicates that any contribution will be insignificant.

Appendix 1 - Sites with Planning Permission or deferred for completion of s106 agreement – anticipated to be delivered in the plan period

Site Name	Settlement	Units remaining (1st April 2021)	Market	Affordable	Affordable s106	Affordable non s106
North of Pandy Road	Bedwas	117	96	21	21	0
North of Hendredenny Drive	Caerphilly	231	171	60	60	0
Virginia Park Golf Club	Caerphilly	350	325	25	25	0
The Rhos, Bedwas Road	Caerphilly	31	0	31	12	19
Llys Ifor	Caerphilly	29	29	0	0	0
Former Caerphilly Police Station, Mountain Road	Caerphilly	45	0	45	18	27
Wingfield Crescent (Phase 1)	Llanbradach	30	0	30	12	18
Land at Ty Yn Y Pwll Hotel	Trethomas	25	0	25	10	15
Land at Former Garages, Llanfabon Road	Trethomas	12	0	12	5	7
Wingfield Crescent (Phase 2)	Llanbradach	23	0	23	9	14
Caerphilly Basin		893	621	272	172	100
Cwm Gelli	Blackwood	164	123	41	41	0
Ton-y-Felin	Croespenmaen	60	0	60	15	45
Hawtin Park (West)	Pontllanfraith	32	13	19	19	0
Former Oakdale Comprehensive	Oakdale	99	49	50	25	25
Sir Ivor Road	Pontllanfraith	20	0	20	0	20
Land at Former Pontllanfraith House	Pontllanfraith	123	39	84	31	53

Site Name	Settlement	Units remaining (1 st April 2021)	Market	Affordable	Affordable s106	Affordable non s106
Land at Hawtin Park	Pontllanfraith	73	62	11	11	0
Mid Valleys		571	286	285	142	143
Pontymister Service Station	Pontymister	18	0	18	0	18
Ty Darren	Risca	46	0	46	5	41
PD Edenhall	Risca	22	20	2	2	0
Lower Sirhowy and Ebbw Valleys		86	20	66	7	59
Opp. Highcrest Garage	Markham	42	42	0	0	0
Bedwellty School (Phase 2)	Aberbargoed	46	39	7	7	0
Heads of the Valleys		88	81	7	7	0
Ty Du	Nelson	177	71	106	44	62
Land at Brooklands	Nelson	11	8	3	3	0
Penallta Colliery (Winding Wheel Lane)	Ystrad Mynach	48	0	48	12	36
Greater Ystrad Mynach		236	79	157	59	98
	Total	1874	1087	787	387	400

Appendix 2 - Applications awaiting determination – anticipated to be delivered in the plan period

Site Name	Settlement	Units remaining	Market	Affordable	Affordable s106	Affordable non s106
Austin Grange	Caerphilly	74	0	74	30	44
Catnic	Caerphilly	176	167	9	9	0
Caerphilly Basin		250	167	83	39	44
Mid Valleys			0	0	0	0
Bedwellty Road	Aberbargoed	76	76	0	0	0
Heads of the Valleys		76	76	0	0	0
St Catherine's Church	Crosskeys	17	0	17	2	15
Lower Sirhowy and Ebbw Valleys		17	0	17	2	15
	Total	343	243	100	41	59