

**Chief Planning Officer
Mr P Mears**

**Prif Swyddog Cynllunio
Mr P Mears**

Mrs. Barbara Prosser
LDP Programme Officer
Ty Penallta
Hengoed
Ystrad Mynach
, CF82 7PG

Your Ref/Eich Cyf: **ED.3**
Our Ref/Ein Cyf:
Contact/Cysylltwch â: Rhian Kyte
Telephone/Ffon: 01495 235317
E Mail/E Bost: kyter@caerphilly.gov.uk
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Dear Mrs Prosser,

Caerphilly LDP Examination - Bedwas Colliery site

Thank you for your letter dated 12th November 2009 regarding the delivery of housing, including affordable housing provision, with particular reference to the Bedwas Colliery site. We wish to address each of the areas of concern in turn.

Implications of possible non-development of Bedwas Colliery

Even after the proposed deletion of housing sites as part of the Focused Changes, Bedwas Colliery comprises only 6% of the 10,045 dwellings for which the plan makes provision. As there is an over-allocation of land for housing across the County Borough to allow for flexibility and choice, there will still be sufficient land to meet the housing requirement figure of 8,625 dwellings even if Bedwas Colliery is not developed within the LDP plan period.

In line with WAG guidance the First Review of the LDP would be expected to be in place nine years into the plan period, which will provide the opportunity to reconsider the distribution and amount of housing land, particularly within the Southern Connections Corridor. As the plan will be reviewed before 2017, which is the date that Bedwas Colliery is anticipated to come forward, the possible need for an additional 630 dwellings could be addressed at that time without prejudicing the plan delivery before that date.

Delivery of the Affordable Housing Target

An explanation of the methodology used to calculate the affordable housing target is set out within Appendix 1. It will be noted from this that the target is not calculated on a site-specific basis and therefore if a particular site does not come forward, such as Bedwas Colliery, it will have no affect on the target set out within policy SP17.

Submission Document SB 33 “BP6 Supplementary Paper 2 - Site Categorisation” details the results of a housing site categorisation exercise meeting held between the local authority, the Welsh Assembly Government and the Home Builders Federation, which sought to identify when allocated sites were likely to be delivered during the plan period. This also provides an indication as to when affordable housing may be delivered through Section 106 agreements on allocated sites. The purpose of this exercise was to seek agreement that all sites were capable of delivery over the plan period but in no way was it intended to identify a phased approach to the release of sites.

Dueing to the variable nature of house-building, it is not possible to accurately determine when sites are likely to be developed. This categorisation exercise could only therefore consider likely propositions. Whilst Bedwas Colliery is the only site where it is anticipated that development will be in the latter part of the plan period (post 2017), it may well be the case that other allocated sites may be delivered later in the plan period. Coupled with the delivery of affordable housing on windfall sites, it is considered that affordable housing will continue to be delivered in the later part of the plan period.

Furthermore, the First Review of the LDP will offer the opportunity to consider the delivery of affordable housing through the planning system for the latter part of the plan period.

To aid the Inspector’s consideration on the extent to which sites with existing planning permissions for housing will contribute to the delivery of affordable housing in the early years of the plan, a table has been provided detailing this information (Table A). This table indicates the number of affordable units that have been secured via section 106 on allocated housing sites as of the 1st April 2009, together with information on which part of the plan period these affordable units are likely to be developed (as per the categorisation set out with BP6 Supplementary Paper 2 on the Housing Site Categorisation Exercise).

This table also sets out the number of units that have been secured on allocated sites that have not been secured through S106 but have been gained through other mechanisms, most notably through the Strategic Capital Investment Fund (SCIF) where money has been made available to purchase private sector land and properties where sales are affected by market conditions, and through RSLs own build programmes. Current experience is showing that affordable housing is being delivered on sites with no planning obligations to this effect owing to the availability of funds to RSLs rather than the private sector.

Thirdly, the table shows the number of units anticipated to be delivered through the realisation of the sub-market areas specific targets on allocated sites, whilst noting that such targets are only indicative and will be subject to site-specific negotiation at planning application stage. The anticipated timescales for when these units are to be delivered has also been set out.

Table A lists sites by plan order, but is accompanied by Table B which indicates when the affordable housing is likely to be delivered and includes calculations of how many units are realistically expected to be delivered in each period through each mechanism.

Specific reference is given to housing site HG1.61 Waterloo Works site. 16 Low Cost Home Ownership units plus 1.5 acres of developable land has been secured, which equates to approximately 40 units (refer to Table B) as part of this development. It is acknowledged that this is significantly lower than the 40% target set out for this area in the Deposit LDP, however this planning application was determined in accordance with the existing planning policy framework, namely the Council Approved Unitary Development Plan which does not

contain a 40% target. It is also worth noting that at the time of negotiations in respect of this planning application, the Council did not have a Local Housing Market Assessment identifying the level of need in this area, and work on the strategic viability assessment had not been undertaken at that time.

Finally, there were other planning priorities secured as part of this planning application, when the agreement was negotiated in the spring of 2007, notably significant highways improvements and the need to provide a new school to serve this development and replace Rhydri Primary School, which was no longer considered to be fit for purpose.

Deliverability of Bedwas Colliery

The site requires remediation/reclamation prior to any development on the site and this will require grant funding from WAG to be realised. In this respect recent correspondence from WAG advised that whilst future funding for the project has been identified in principle, it is difficult to identify the level of funding required or a timescale for when resources will become available.

Given the confirmation of in-principle identification of funding the council is confident that reclamation/remediation of the site will be realised, which will then facilitate the development of the site. It is anticipated that the development itself will be undertaken by the private sector and will be dependant upon general market forces.

The Council is committed to bringing the site forward and, in this respect, is continuing to broker meetings with the landowners and WAG to progress the scheme.

We hope that the Inspector finds this information useful. However, if further information or clarification is required, please do not hesitate to contact us.

Yours sincerely

Rhian Kyte

Appendix 1 – Calculating the Affordable Housing Target

It should be noted that there is no standard methodology set out within national planning guidance for how to calculate the affordable housing target, although TAN 2 does state that *“the target should take account of the anticipated levels of finance available for affordable housing, including public subsidy, and the level of developer contribution that can realistically be sought.”*

The methodology used to calculate the affordable housing target identified in Policy SP17 is set out within *Background Paper 6: Population and Housing*, which has subsequently been updated in *BP6 Supplementary Paper 5: Affordable Housing Target*.

This methodology seeks to calculate the level of affordable housing that can realistically be sought on new housing sites and windfall sites required to meet a housing requirement figure of 8,625. As there is a significant over-allocation in land for housing, the plan does not calculate the maximum that can be achieved on individual sites and combine this figure to produce a total affordable housing target. Such an approach would not be appropriate, as it would assume every site would be developed, whereas the plan has over-allocated for choice and flexibility.

Rather, the approach used to calculate the target is to consider the distribution of allocated sites and apply this distribution to the windfall requirement and to the ‘requirement for additional housing sites’ assumption. The figure for the requirement for additional housing sites is essentially the number of units that needs to be allocated to meet the 8,625 total housing requirement figure once all other assumptions (completions, committed sites, empty properties, small sites, conversion and demolitions) are accounted for. This figure equates to 2,277 dwellings. Where planning consent has been granted, and therefore the number of affordable units is known, this figure has been added to the target for new sites.

As the target is not calculated on a site-specific basis, if a particular site does not come forward, it will not affect the way the target is calculated.