

**REPORT OF Leader & Chief Executive**

**To: Full Council**

**Subject: Housing Provision – Council Land Review**

**Date: 31 July 2023**

**Reference:**

**PURPOSE OF REPORT:**

To update Members on the Provision of Housing Project; our Homelessness provision and grant/funding opportunities and for Members to decide the next steps.

**1. INTRODUCTION**

As Members will be aware Torridge is facing an acute shortage of affordable housing and an unprecedented demand on our homelessness service. The housing difficulties we face in Torridge are growing whilst available options have reduced.

To help address these issues a number of concurrent and interrelated projects have been progressing. These include the Provision of Housing Project, Investment with RSAP & Department for Levelling Up, Housing and Communities and additional Homelessness Provision.

**Background**

The following timeline is an indication of what has been done:

28 June 2019 & 12 Sept 2019	New Council Strategic Planning Days – emerging priority - Investigate the feasibility of becoming a direct housing provider
5 Oct 2020	Full Council adopt - Strategic Plan - Action in the approved Strategic Plan – “Investigate the feasibility of becoming a direct housing provider”
	Following discussion between the Leader, the Chief Executive, and the Local Government Association we approached ARK consultancy and following discussion at Leadership Team, we appointed them to produce an Options Report for us.
	Covid delayed the holding of the workshops
9 July 2021	Two Cllr “Provision of Housing” Workshops with ARK consultancy
1 Nov 2021	This Options Report was presented to Full Council on the 1 November 2021 where it was unanimously agreed to: <ul style="list-style-type: none"><li>• Review the process of viability assessment at Planning stage of planning applications that are submitted with less than policy compliant affordable housing provision.</li><li>• Undertake an assessment of land and buildings in the Council’s ownership and score with a site assessment tool the likelihood of a site being deliverable for housing and rank sites accordingly.</li><li>• Investigate funding opportunities to help with housing delivery i.e., from One Public Estate and Homes England.</li><li>• Arrange a Strategic session with Councillors using the results of the above recommendations to develop a ‘Strategic Housing Delivery Plan’ with an agreed model for delivery and our preferred partner(s).</li></ul>
Jan 2022	Received £25k from the LGA Housing Advisors Programme following a



	successful application
Mar 2022	C&R agreed £25k match funding to provide a budget to assist with the Housing Project
	Leader & Chief Executive been meeting with the local Housing Associations to establish if there is an appetite to work with us
Mar 2022	Funding bid to DCC successful £173,574 for 3 modular units for rough sleepers
Mar 2022	C&R approved Sully House conversion to homelessness hostel and siting of modular units on land adj.
	<p>The Council's former Property Manager conducted an initial desktop analysis of the Council land holding for potential for development. The Planning Manager established basic planning information from a desk-based assessment of the sites put forward by the Property Manager. Senior Management then also reviewed the sites.</p> <p>Eleven sites were initially identified as having potential for housing provision (with Jackets Lane being added at a later date). To facilitate this each site needed to be considered in terms of the various options available: to be used for building affordable housing (in conjunction with a suitable partner) or for building affordable and mixed value housing or be sold to a developer for high value housing to generate income to fund affordable housing on another site.</p>
17 May 2022	Councillor Workshop to informally look at the sites.
4 July 2022	<p>Full Council decided that all the shortlisted sites were to be put forward for a full external viability assessment for the provision of housing.</p> <p>Using the grant obtained from the LGA we commissioned independent Architectural and also Cost consultants to undertake this work for us.</p>
July 2022	C&R approved Hubbastone, Appledore site conversion to homelessness accommodation
31 Oct 2022	<p>Full Council decided to progress 11 of the 12 sites evaluated (with a site in Appledore removed).</p> <p>The decision does not mean that housing will be developed for each of the sites as the studies so far have only confirmed that housing development is possible. More detailed proposals and a business case will be prepared and brought back to full council ahead of any planning application submissions. The proposals will be drafted in consultation with elected ward members, to ensure local views on any of the emerging schemes are included as part of the process.</p> <p>The list of sites approved for further progression to full business case:</p> <ul style="list-style-type: none"> <li>• Pynes Lane Garages, Bideford</li> <li>• Garages, Tuckers Park, Bradworthy</li> <li>• Land at The Crescent, Langtree</li> <li>• Land at Cliveden Road, Bideford East</li> <li>• Jackets Lane, Northam</li> <li>• End of Ethelwynne Brown Close, Bideford</li> <li>• Windmill Lane Offices and Car Park, Northam</li> <li>• Bone Hill Car Park, Northam</li> <li>• Springfield Car Park, Chanters Road, Bideford</li> <li>• Part of South Street Car Park, Great Torrington</li> <li>• Land at Cleave Wood, Bideford East</li> </ul>
22 Dec 2022	<p>Full Council decided to join an investment fund to provide 10 single person units of accommodation within Torridge; the projected cost being £1.5m.</p> <p>Funding for the scheme being from three sources:</p> <ul style="list-style-type: none"> <li>• £500k from the Department of Levelling up – Rough Sleepers Accommodation Program (RSAP)</li> <li>• £500k from Torridge Council</li> <li>• £500k from Resonance (socially minded investors)</li> </ul>
Jan 2023	Bids submitted to the Local Authority Housing Fund 1



March 2023	Modular units being installed at Sully House
March 2023	Resonance pulled out of investment fund. Discussion between TDC officers and DLUHC around repurposing the funding model were instigated by TDC. DLUHC confirmed we could proceed with revised options as detailed in this report
April 2023	Bid submitted to the Governments Brownfield Release Fund (BFRF)
May 2023	Work commenced to convert Sully House scheduled to be completed by Oct 2023

## 2. REPORT

### Housing Provision Project

One of the actions in the Council's Strategic Plan is to "Investigate the feasibility of becoming a direct housing provider" and following the unanimous adoption of an Options Report produced by external consultants and the review of Council land for the potential of housing provision the 31 October 2022 Full Council decided to progress 11 Council owned sites to full business case.

It was made clear at the meeting that the decision does not mean that housing will be developed for each of the sites as the studies so far have only confirmed that housing development is possible. More detailed proposals and a business case would be prepared and brought back to Full Council ahead of any planning application submissions.

The list of sites approved for further progression to full business case included:

- Pynes Lane Garages, Bideford
- Garages, Tuckers Park, Bradworthy
- Land at The Crescent, Langtree
- Land at Cliveden Road, Bideford East
- Jackets Lane, Northam
- End of Ethelwynne Brown Close, Bideford
- Windmill Lane Offices and Car Park, Northam
- Bone Hill Car Park, Northam
- Springfield Car Park, Chanters Road, Bideford
- Part of South Street Car Park, Great Torrington
- Land at Cleave Wood, Bideford East

Since the October decision officers have been investigating funding opportunities and have managed to source some external Government grant offers. Further exploratory work on the sites have also been undertaken which has helped prioritise the sites to a manageable deliverable list.

The sites have been ranked for potential ease of development (subject to full planning pre app and legal due diligence of each site), speed of delivery and taking into account the social economic fabric:

Rank	Site	Notes
1.	Pynes Lane Garages, Bideford (High View)	BLRF grant application. Possible site for modulares – subject to planning
2.	Land at The Crescent, Langtree	More research needed
3.	Garages, Tuckers Park, Bradworthy	Possible BLRF grant application
4.	Jackets Lane, Northam	More research needed
5.	Land at Cleave Wood, Bideford East	Need at least £1.1m receipt towards depot as per MTFP.
6.	Windmill Lane Offices and Car Park, Northam	Possible site but we would need to relocate NTC. Could be a temporary site for modulares



		and a future BLRF grant application?
7.	End of Ethelwynne Brown Close, Bideford	Expensive and complicated due to flood risk and river levels but potentially valuable site
8.	Bone Hill Car Park, Northam	Could have economic effect on Town Centre if involved loss of car parking so would need an innovative solution
9.	Part of South Street Car Park, Great Torrington	Most controversial and possible legal covenant. Could have economic effect on Town Centre if involved loss of car parking so would need an innovative solution
10.	Land at Cliveden Road, Bideford East	The most difficult site in terms of planning (POS) from initial assessment
11.	Springfield Car Park, Chanters Road, Bideford	Cannot take forward if the MUGA proposals are progressed on adjoining land also within a flood zone so would need an innovative solution.

Green (phase 1) – sites anticipated to be able to be progressed relatively quickly.  
Amber (phase 2) – more involved sites requiring additional work – medium term.  
Red – sites unlikely to be developed or not in the medium term.

### **Investment with Resonance & Department for Levelling Up, Housing and Communities – DH/SD**

On the 22 December Full Council decided to join an investment fund to provide 8 single person units of accommodation within the Torridge district; the projected cost being £1.5m. Funding for the scheme being from three sources:

- £500k from the Department of Levelling up – Rough Sleepers Accommodation Program (RSAP)
- £500k from Torridge Council
- £500k from Resonance (socially minded investors)

Resonance have now decided not to progress this investment fund, as the returns on the investment are not sufficient for their investors. However, we have continued our discussions with the Department for Levelling Up, Housing and Communities have confirmed that Torridge can retain their £500k contribution if we match fund the investment and we have submitted a bid for 6 homelessness modular units, as opposed to the initial 8 under the previous scheme.

### **Local Government Housing Fund (LAH1) - Afghan & Ukraine Fund**

The LAHF1 was launched on the 14th December 2022. The objectives are to offer sanctuary to Afghan and Ukraine residents, to those fleeing conflict by providing sufficient longer-term accommodation.

DHLUC have accepted the Council's plan to provide 4 homes and will provide a grant of £480,553.00. We need to provide a total of 4 properties, one of which must be at least four bedrooms to be allocated to households currently in bridging accommodation.

The Council must match fund the allocation by 60%, however we are awarded £20,000 to help with associated costs such as purchase price, surveying, legal fees and other expenses.

The Council must use its best endeavours to deliver the target by the 30th November 2023



To accommodate these additional module units that would be provided by the grants the Sully House site has existing planning permission for three more modular units and subject to planning the Pynes Lane Garages (High View), Bideford has been identified as a potential site that could be delivered within the grant deadline.

One of the conditions of the RSAP Grant is associated with the provision of a 4 Bed property for the resettlement of an Afghan family. There are plenty of 4 Bed properties on the market, many of which are unsuitable for our requirement in meeting this condition in the local area. We need to be mindful of the sensitivities associated with the resettlement of a displaced family and the communities in which we hope to offer integration.

We have therefore limited our search to properties that meet the following criteria:

- Good accessibility to schools, public transport and local amenities and medical facilities.
- Constructed post-2000 to limit asbestos risks, reduce the Councils carbon footprint and ongoing maintenance liabilities.
- Minimum Band C (preferably Band B) EPC rating for realistic running costs.
- Open plan living space on the ground floor to optimise family use and limit any accessibility issues.
- Near level manageable plot to avoid excessive user risks and grounds maintenance costs.
- Detached to limit any potential noise / neighbour issues.
- An appropriate environment for a resettlement family to achieve acceptance of use and to limit ongoing tenant liaison issues.

There are a handful of properties available locally that may meet these criteria (circa £300k to £500k) that are available with the advantage that TDC are a cash buyer and potential chain breaker in the current market. That said, the time involved in securing a property, completing the due diligence and completing the purchase within the timescales required to comply with the grant remains challenging.

From the guidance with the grant application if the properties are not used for the prime purpose of the grant, then the properties would be available for use as temporary accommodation.

### **Capital Funding – General Capital Reserves**

The capital programme as presented to full council in February 2023, has general capital reserves available of £853K.

If £411K of these capital reserves are allocated to these projects, then the council doesn't need to take on any additional borrowing.

The funding for these 10 properties is as follows:

Grants (LAHF1 & RSAP)	981K
Identified Reserves approved by C&R on the 24th July)	919K (note includes 293K from the 22/23 surplus to be
General Capital Reserves	411K
Total	2,311K

For Members information at Appendix A is a location plan of Sully House with the area allocated for the 3 No. additional Solohaus modular units shown edge in Red and also the location of the Pynes Lane (High View) garages site.



### 3. IMPLICATIONS

#### Legal Implications

Partially covered in the initial Options Report more details will need to be covered once the final list of sites to take forward has been approved.

#### Financial Implications

Covered in this report and for the sites in detail in the independent construction cost appraisal report. It is important to note that costs will have significantly increased since our initial assessment and will need refreshing before finalising any business plans. Existing use value and income will be considered as part of the respective sites analysis.

#### Human Resources Implications

Resources to deliver will need to be agreed once the final decisions have been made.

#### Sustainability/Biodiversity Implications

Partially covered in the Options Report and more details will be covered in the final list of sites to take forward has been approved.

#### Equality/Diversity

Not applicable

#### Risk Management

This will need to be assessed in detail once the final list of sites to take forward has been approved.

#### Compliance with Policies and Strategies

This report is in accordance with the action of “Investigate the feasibility of becoming a direct housing provider” within the Council’s Strategic Plan and subsequent Full Council decisions.

#### Data Protection (GDPR) Implications

No personal information

#### Climate Change

Partially included in the initial Options report and further details will be developed once the final list of sites to take forward has been approved.

#### Leader & Lead Member Views

Leader Comments:

**Councillor James** – I fully support the match funding of the Government grants that we have been successful in obtaining which will enable the council to deliver part of its strategic policy with regards to Affordable Housing.

Lead Member Comments:

**Councillor Hodson** - We are all aware of the Housing Crisis and the need for this Council to deliver its statutory duties regarding homelessness. This report outlines the progress of the Housing Project and the delivery proposals to meet the aims of the Council. I ask members to support the recommendations which will enable the delivery of additional housing by maximising the Government’s grants together with our own funds within the Capital programme. This additional supply of temporary accommodation will help to reduce the spend on the homelessness budget which has been a significant pressure in the setting of a balanced budget.

This report marks the beginning of a strategic delivery plan which will continue to be reviewed and indeed will develop as the Council determines its priorities for the future.



#### Ward Member Views

**Cllr D Brenton** – This site was looked at by the previous council and deemed suitable for this type of project and unless there has been a significant change then I think we should go ahead.

**Cllr S Inch** - Although I welcome the opportunity for the council to provide temporary accommodation, we must make sure that residents who live near to this area of land in question must be consulted and the council must be open and transparent so that residents can air any concerns they have. If this is the case, then I'm all in favour to providing temporary accommodation as we are in a housing crisis.

#### 4. CONCLUSIONS

Members have made the provision of affordable housing a Strategic Priority and the demand for temporary accommodation has never been higher.

As instructed by Members, officers have been investigating funding opportunities and have managed to source two possible external Government grants. These grants require the Council to provide match funding of 50% and 60%. Due to extremely tight deadlines decisions are required at this meeting to enable the Council to meet the funding criteria should they wish to proceed.

#### 5. RECOMMENDATIONS

Members are recommended to:

##### ***Provision of Housing Project:***

- A. authorise officers to focus on the five sites that have been ranked and assessed as green (phase 1) in this report
- B. authorise officers to focus on the sites ranked and assessed as amber (phase 2) in this report on conclusion of the sites in A (above)
- C. authorise officers not to progress the sites ranked and assessed as red in this report
- D. approve the submission of a planning application for the siting of modular units on the Pynes Lane (High View) site
- E. approve the submission of a planning application for the siting of modular units for any other the other sites as authorised in “A” (with the exception of Cleave Wood which has outline planning permission and a receipt is included in the MTFP) above should funding become available

##### **Investment with Department for Levelling Up, Housing and Communities - RSAP**

- F. Provide 6 temporary accommodation modular units by match funding the £500k contribution from the Department for Levelling Up, Housing and Communities plus an additional 5% contingency, taking the total cost of the project to £1.05m. The Council's contribution being funded from the identified reserves, and utilisation of available capital reserves.

#### **Local Government Housing Fund 1**



- G. Accept the grant of £481K and match fund with £721K (60%) plus a 5% contingency, to provide three modular properties and a four-bedroom property. The total cost of the project is £1.26m, the council's contribution being funded from the identified reserves, and utilisation of available capital reserves.

### **Capital Programme**

- H. To add £2.311m to the Capital programme for the 6 modular units at Pynes Lane, 3 modular units at Sully house and a 4-bed property to be purchased from the local market. To be funded by a £500K grant (RSAP), a £481K grant (LAHF1), £80K grant (BLRF – TBC), £839K of identified reserves (including £293K from the 22/23 surplus) and £411K from general capital reserves.









**High View Garages Site, Off Pynes Lane, Bideford. EX39 3DZ**

