

Torbay Housing Delivery Plan

DELIVERING THE HOMES WE NEED

29 AUGUST 2024

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1. Context

Affordable housing delivery in Torbay is very low. In the early 2000s, the Torbay area regularly delivered 100-180 new affordable homes per annum, with a peak year in 2013/14 of 273 new affordable homes¹. Since then, delivery has dropped significantly, to the extent that average annual delivery over the last 4 years has been just 36 homes.

This is due to:

- The geographic constraints of Torbay;
- Changes to the planning system under the Localism Act, making development in marginal areas generally less attractive to the sector;
- Limited opportunities for greenfield development, which generates the greatest proportion of new affordable housing;
- Our local brownfield affordable housing threshold, meaning schemes of <15 homes are not required to provide any affordable housing;
- RPs' limited financial capacity, resulting in decisions to direct remaining resources to more straightforward, or strategically important sites;
- Comparatively low values, compared to the rest of the sub-region; and,
- Greater profitability for investments closer to the Exeter 'hub' and Housing Market Area (for both developers and RPs).

Due to prevailing market conditions at present, the private sector is unlikely to be able to markedly increase the supply of open market sale or affordable homes in the short-medium term. Consequently, we expect housing need to remain stubbornly high, which risks escalating into an accommodation crisis affecting our whole community. This has potential to create knock-on effects on key local employers such as the NHS, that cannot attract or retain staff into key employment areas.

To address these issues, Torbay Council is making changes to its structure and creating a new emphasis on proactive intervention and strategic thinking. To that end, the Council has recently adopted its [Community and Corporate Plan](#), which sets out our key objectives in respect of housing delivery over the next two decades. The most pertinent objectives from this are extracted below:

- *"There will be more good quality, affordable and permanent properties that people, including those who are vulnerable or care experienced, can call their homes"*
- *"We will work with landlords and developers to maximise the use of suitable housing stock, including social housing, and create decent accommodation across Torbay".*
- *"In delivering our Housing Strategy, we will work to deliver a diverse choice of housing for our residents that meets every stage of life and lifestyle – homes that are safe, warm, fit for purpose and more environmentally friendly"*
- *"Where appropriate, we will consider proactive intervention in the housing market"*
- *"We will continue to protect homeless households and those threatened with homelessness, whilst putting an end to street sleeping.*
- *"We know that, to retain and attract the workforce that Torbay needs, we must have sufficient affordable housing..."*

¹ Live Table 1008C, MHCLG (2024) Available here: https://assets.publishing.service.gov.uk/media/6679838a7cca63d35059c890/Live_Tables_1006-1008.ods. Last accessed 31 July 2024.

The Community and Corporate Plan is accompanied by our ambitious [Housing Strategy](#), which makes bold commitments to deliver or enable a range of new homes in The Bay, to support our communities, grow our economy, and help our workforce and key employers. Specifically, the Strategy commits us, to:

- Build affordable homes for rent;
- Build homes for low-cost ownership;
- Build and acquire innovative and specialist homes; and,
- Make the best use of our housing stock.

To that end, in December 2023 a Torbay Council's Cabinet resolved to request the creation of detailed delivery plans to set out how the Council will facilitate the acceleration of new affordable housing specifically to increase the provision of social and affordable rented homes. However, Torbay does not currently see itself as a 'general needs' social housing landlord, and has instead resolved to prioritise the delivery of homes to meet specialist housing needs; from client groups that may otherwise now typically be catered for in the affordable housing market, and have the potential to cost the Council a considerable amount of revenue each year. As such, the council will focus its resources towards delivery of extra care housing, supported housing (for various client groups), temporary accommodation and to meeting the specialised needs of care-experienced young people.

The remainder of this paper sets out the mechanisms and interventions that will be employed by the Council to directly and indirectly increase our supply of affordable housing to rent, to meet the needs of our population.

2. Timescales and prioritisation

This plan will direct the Council's housing delivery activities over the next five years, running from April 2024, to March 2029. It identifies and focuses the resources and support needed to achieve the Council's housing ambitions over this period, whilst also taking account of wider emerging priorities, national trends and incentives.

Some projects will be more time and resource intensive than others; as such, projects have been split into two groups: Priority 1 (P1) projects are those expected to be deliverable within Years 1-3 of the Plan; Priority 2 (P2) projects are expected to deliver within years 4-5.

With the greatest number of delivery streams being in P1, it is necessary to further categorise each work stream within this group, depending on their urgency and importance. A further ranking of (a)-(c) has therefore been given to each project to reflect its significance. As the timescales are less defined for P2 projects, the goal for these projects is to facilitate promotion to P1 and the relevant sub-category of (a)-(c).

The category definitions used are as follows:

- P1(a) – Highest priority within the next 1-3 years; all resources to be directed to ensuring delivery.
- P1(b) – Medium priority within the next 1-3 years; additional resources to be re-directed to these projects as soon as they are available.
- P1(c) – Medium priority within the next 1-3 years; accepted that other schemes may take precedence.
- P2 – Long-term priority; for delivery by the end of Year 5.

The Council's focus will be to provide support to those client groups whose needs are not met by market or social housing providers (such as Registered Providers). These groups include households requiring extra care housing, various forms of supported housing, Temporary Accommodation, or homes specifically for the care experienced cohort. Additionally, in attempt to create a new market for growth, the Council will also lead the creation of a housing product that will be attractive to young, working households, in local key industries.

3. Engagement and Review

This plan has been developed in conjunction with the Cabinet Member for Housing and Finance, and with the support of the Director for Pride in Place and Divisional Directors. Engagement has also been undertaken with Group Leaders.

An annual review will be undertaken to ensure that projects and priorities remain appropriate for the coming 12 months. The review will not seek to re-write the plan but may update it where necessary in consideration of any relevant emerging local or national factors and influences. It may also consider additional projects to be added to the longlist and will review progress against expectations of those already defined. It will also provide an opportunity to identify whether additional resources are required in order to achieve the ambitions detailed. It also provides a space for an annual 'refresh' of the demand situation with two of our primary user services: Adult Social Care (in respect of specialist housing for older, disabled or otherwise vulnerable clients), and Children's Services (relating to the need to provide accommodation for care-experienced young people, and children in the Council's care).

The Annual Review will be chaired by the Cabinet Member for Housing, supported by the Director for Pride in Place and Head of Strategic Housing & Delivery.

Anticipated review dates:

- Review 1 – April 2025
- Review 2 – April 2026
- Review 3 – April 2027
- Review 4 – April 2028

4. Opportunities for growth

The objective of this paper is to set out how the Council will deliver its stated priorities outlined in our adopted Community and Corporate Plan, Housing Strategy and Rough Sleeping Strategy. Furthermore, it will consider the interventions available to us to help drive the growth we need to deliver the homes required from the current and next Local Plan; it also starts to consider the additional opportunities for enhanced growth, as indicated are going to be important from the newly elected government.

The Council is committed to increasing the output of affordable homes in the right places, and for the client groups in most need. The three areas of delivery are set out below:

a) Housing Capital Schemes (Council-led delivery)

This section details the opportunities for the Council to directly intervene to increase housing output, on schemes at an advanced stage of business case development.

HCS1 - St. Kilda's

This is the regeneration of the former St. Kilda's residential care home, which will provide 23 new 1 and 2-bedroom homes for people 55+, all for social rent. The scheme is to encourage existing social housing tenants that currently occupying larger family homes elsewhere in The Bay to downsize, freeing up those properties for other families in need.

Responsibility for delivery rests with the Head of Strategic Housing & Delivery as Client and SRO. Cabinet and Council have approved a detailed business case, and a contract for construction to a regional construction firm has been let. A large allocation of grant funding from Homes England has also been secured to support the project's delivery.

Construction commenced on 17 June 2024, with completion anticipated in Spring 2026. Occupation will follow shortly thereafter, to local and eligible households.

Output – 23 new homes for social rent

Priority and Timescale – P1(a); due for completion within 1-3 years

HCS2 – Extra Care delivery

The Council has a stated need to deliver Extra Care Housing (ECH) for social rent to support older households, or households with limited current or future mobility. There are several options for this, and the Council will be working hard to establish which of the options at its disposal, is the best suited to meet the local need profile. Delivery of this product is a key component of the Council's partnership with the NHS in respect of delivering housing solutions for the Adult Social Care sector.

Such schemes are expected to be eligible for grant funding from Homes England. However, the current Affordable Homes Programme expires in March 2026 and schemes must be completable by this date to be eligible for a grant award. Homes England's advice is to continue to work-up projects over the next 18 months such that the moment a new programme is announced, grant bids can immediately be submitted for approval.

Whilst there is need for multiple projects, the Council will need to take a view about the quantum of such properties that it is able to deliver in the coming years, along with a consideration of the most suitable site(s) it has available.

Output – 70+ new extra care homes for social rent

Priority and Timescale – P1(a); due for completion within 1-3 years (subject to grant)

HCS3 - Accommodation Repurposing Project

Torbay Council has been allocated grant from DLUHC to pilot the purchase of former hotels for conversion into good quality social housing. The objective is to prove that a new model can be created such that seaside areas that have historically been popular tourism hotspots, can reverse the spiral of decline often found in such locations.

The project requires creation of a self-funding investment programme whereby Torbay Council: 1) acquires a hotel; 2) enables its conversion into social housing; and 3) disposes of the completed scheme to a Registered Provider. This would enable the Council to deliver an affordable housing scheme with very little recourse to its own capital; importantly, this means borrowing costs are avoided, which at present make many schemes unviable. Furthermore, selling schemes to RPs later (in agreed tranches) generates a capital receipt to replenish the initial pot for reinvestment into the next project (ad infinitum). The model requires the built homes to be provided as social rent, and so any Homes England grant secured would need to be transferred to the purchasing RP.

In addition to the grant award from government, the Council has committed to match-fund an allocation of its own capital. We also anticipate being successful with an additional bid for growth funding from the Devolution Deal to increase this pot further, meaning that the Council can create an overall investment portfolio to make a meaningful difference in the prevalence of poor-quality hotels in Torbay, whilst providing a major community benefit in respect of additional affordable housing for local people. If this additional funding bid is successful, a further programme funded business case will follow separately.

Whilst the default position is that the Council will sell schemes to an RP at completion, there are two possible scenarios that should be noted, depending upon housing market conditions at the time:

- 1) The Council is unable to find a Registered Provider to purchase completed units. In this situation the Council would either have to sell the units on the market and return all grant funding (at cost both financially and reputationally) or hold the stock for affordable housing with in-house/commissioned management arrangements (as with St. Kildas etc.). It would also be necessary to convert the

funding strategy to long-term development finance to 'borrow against' the value of the completed project to enable the necessary subsequent sites to be developed.

- 2) A situation whereby the Council cannot immediately identify an RP to acquire the completed homes so holds them until there is sufficient stock to make a bulk sale of units more attractive. This would result in interim ownership of the assets. In this situation, grant would still be applied for and ultimately transfer to the RP (subsidising the Council's cost), and rental income would be generated to cover debt financing over the period of ownership. This is considered a more likely scenario than 1) above.

The intention is to make these homes attractive to the keyworker sector; albeit not reserved exclusively for this client group to ensure compliance with the Homes England Capital Funding Guide. The likelihood is that schemes will largely generate 1- and 2-bedroom flats. The first site has been identified and an offer accepted for the turnkey acquisition of up to 14 flats and a detailed financial appraisal is being presented to Capital & Growth Board in August 2024. If endorsed, it will proceed to Cabinet and Council to obtain the necessary delegations to proceed. Once secured, attention will move to the second and subsequent sites.

Output – 14-36 new homes for social rent (within 3 years); 50+ homes within 5 years
Priority and Timescale – P1(a); due for completion within 1-3 years (subject to grant)

HCS4 - Rough Sleeper Assessment Centre, SWEP, and move-on accommodation

Housing Options have identified a need for additional specialist housing for local homeless and former homeless individuals. They also need good quality 'move-on' spaces to help the churn in the emergency housing stock. The proposal is to move towards a dispersed model, which reduces the concentration of accommodated clients in central Torquay whilst helping those on a path towards a settled lifestyle have some space, as part of their reintegration.

Additionally, the team have identified a need for a permanent, purpose-delivered Severe Weather Provision (SWEP) space to accommodate local rough sleepers that would otherwise be at risk of exposure to the elements. Currently, this is a complicated service to bring on stream every year and relies on the Council identifying a suitable large space at short notice, and utilising buildings not designed for short-term living.

A list of options is being created in respect of existing assets that could be repurposed for such use. If suitable site(s) can be identified, the proposal would be to create multi-occupation spaces with on-site management, support, and security. No capital has yet been approved for this project; should a suitable opportunity be identified, the SRO will develop a business case to justify capital investment. This is a statutory function and one that is becoming increasingly harder to fulfil, and at significant cost.

Output – c. 6 x move-on units, c.1 x shared flat and approx. 12 bedspaces for rough sleepers
Priority and Timescale – P1(b); due for completion within 1-3 years

HCS5 - Regeneration Partnership

Torbay Council has embarked upon a major programme to regenerate large areas of the town centres of Torquay and Paignton. A regeneration partnership has been created with Wilmott Dixon and Milligan; together the parties are making good progress at packaging up key sites ready for redevelopment.

The next steps are to finalise the schemes ready for planning submission; secure the capital required for delivery; and establish the delivery mechanisms for the built homes. The preferred way forward is to bring a Registered Provider partner on board to take the s106 obligated homes generated from the schemes, and secure Homes England grant for additionality on specific sites. Early discussion with RPs has generated a moderate level of interest. As the earlier phases of regeneration complete, focus will shift to

secondary sites and consideration of what strategic land assembly might be possible to achieve wider growth.

Output – up to 555 homes, including target of 280 affordable tenures

Priority and Timescale – P2; due for completion within 2-5 years

b) New Specialist Housing (Council-led delivery)

The Council's general position is that Registered Providers should normally provide new affordable homes. There are some circumstances, however, where the Council agrees that it may be the most appropriate organisation to intervene to solve a specific issue; the sections below therefore identify those additional delivery themes that will be undertaken by the Council, which would lead to further direct construction of new housing for specialist client groups.

NSH1 - Strategic Asset Review

The Council is the freeholder of many land and property assets. The majority are in effective, long-term use; however, it is appropriate to consider whether there are options to generate disposal receipts or re-use the buildings for specialist client groups. NSH1 proposes a review of the Council's assets to understand what income generation and cost avoidance options the existing estate might support. Where appropriate, sites will be brought forward to meet the accommodation needs of one of the specialist categories identified at the start of this paper, using the most appropriate means to deliver homes on the specific site. This might include traditional or potentially Modern Methods of Construction (where appropriate). Where it is identified that the Council does not own a suitable asset, land acquisitions may be considered. Homes delivered will typically be provided for social rent, Temporary Accommodation, or move-on housing.

Where the Authority determines that an asset is no longer required, release to the market – or other public sector partners – may be considered to stimulate third-party delivery and generate a capital receipt.

Output – review of asset holdings to inform delivery pipeline

Priority and Timescale – P1(c); due for completion within 1-3 years

NSH2 - TA Acquisition programme

The most effective option to address the current pressure on TA budgets is to acquire a small stock of new homes for direct allocation. This would reduce or prevent the use of non-commissioned B&Bs, which are both expensive and have limited options for the Council to recover cost; there are also tight restrictions in respect of the length of time that a household with children can reside in such insecure forms of emergency housing.

The proposal is to acquire a further small stock of additional homes to complement those acquired recently through the SimplyPhi Programme, to provide additional space for Housing Options. This will address the lack of provision from the open market for single person accessible accommodation, or other adapted properties to meet specific client need. There is also a requirement an additional requirement to accommodate local homeless families where a housing duty does not apply, but they become the responsibility of Children's Services. This will be funded in part from the underspend from Phase 1, as well as making an additional capital ask to Council. These homes will be held specifically as Temporary Accommodation, and not used as social housing.

The cost of 'spot purchasing' such accommodation is expensive and often unavailable, posing challenges to the sufficiency of supply. The saving of providing temporary accommodation by owning a 3-bed property, for example, compared to spot purchase is £16,800p.a. For a 1-bedroom self-contained homes, this is £3,000p.a.; for a 4-bed HMO (exc. Housing Benefit subsidy of 90% LHA). This includes all loan repayments, repairs and management etc.

Output – c.12 new homes for Temporary Accommodation
Priority and Timescale – 1b; due for completion within 1-3 years

NSH3 - Off the Shelf Acquisitions

In addition to NSH3 above, it would be advantageous to acquire a further small stock of newbuild homes for use as social rented housing, as:

1. There would be a dedicated stock of council-owned homes, specifically to house families that find themselves stuck in insecure TA. This would free-up the TA property for another vulnerable household.
2. Such homes could be used to directly house families that would otherwise be accommodated in expensive TA, giving them a permanent home that they can afford and significantly improving outcomes for them. Due to a lack of move-on accommodation, TA provision is of significant risk of becoming blocked.
3. It would lead to a reduction in rent subsidy losses incurred between the actual cost of TA provision, and 90% of LHA rate, when used as temporary accommodation.
4. Where homes acquired are purchased for social rent, they can be part-funded by Homes England grant. With typical grant rates currently in excess of £100,000 per home, this means that the net cost to the council is considerably lower than purchasing homes for TA, which is not eligible for grant funding.

The recommendation would be to acquire up to 10 newbuild homes per annum (based on latent/emerging need), substantially funded by Homes England grant. Such acquisitions would be limited to newbuild homes, with 10-year structural warranties and purchased on a turnkey basis (with almost no commercial risk). If funded by grant, Stamp Duty Land Tax relief can also be applied. This would be for specialist needs and is not intended to be for general social housing purposes.

With current TA costs averaging £420-£700 *per week* for a single person (significantly more for families), but with an ability to only claim back 90% of the LHA rate (equalling £90 *per week*), it will be straightforward to demonstrate that this capital investment will make a substantial improvement to the Council's revenue outturn position and reduce the financial risk to the Authority, as outlined in brief, above. This model is also welcomed by the development industry; bulk acquisitions are attractive as it helps keep supply chains operational and support continued investment.

This proposal is linked to the outcomes of NSH3 but is entirely separate; it is also complementary in so far as it provides space for churn in the system, providing better outcomes for families in need and getting families with children into settled homes more quickly. The same approach could also be used to acquire properties to meet the needs of care-experienced young people, that are often disenfranchised in the local housing market.

Output – 25-50 new homes for social rent
Priority and Timescale – P1(b); due for completion within 1-3 years

NSH4 - Surplus Partner Assets

RPs – in the current market – typically only consider developing sites that can provide 15+ new homes. Some RPs (notably Sanctuary; the Council's LSVT partner) own a number of under-used/dilapidated land assets in Torbay that have potential for residential redevelopment, but which are too small to meet this threshold.

There are options to make better use of these land assets: the Council could financially incentivise RPs (through direct grant provision) to work up packages of small sites, if/where there is a degree of partner interest. Where no interest exists, the Council could explore the (re-)acquisition any suitable small sites

that has potential for meaningful re-use for a priority need/specialist housing cohort. A small, targeted pilot will be explored with Sanctuary (in the first instance) to test their appetite.

Following the recent LGA action plan, the wider public sector should put greater emphasis on releasing surplus assets to other parts of the public sector that can make better use of that resource to support a common goal and so opportunities to deliver positive housing outcomes on wider public sector assets will also be explored.

Output – 25 new affordable homes

Priority and Timescale – P1(c); due for completion within 1-3 years

c) Delivery Through Partners

Cabinet’s ambition is to stimulate the market to deliver housing. Whilst current macro-economic pressures impact upon our short-term ability to enable this, there are options available to support partners to deliver more homes in the medium to long-term.

DTP1 - Strategic Land Assembly and Release

The Council will release surplus developable assets to the market. The objective will be to maximise capital receipts in conjunction with increasing the delivery rates of affordable homes. ‘Additionality’ (extra affordable homes delivered through Homes England grant) may also be secured where appropriate.

The Council may also consider – particularly where grant funding is available – acquiring brownfield land specifically for remediation or servicing, to enable wider growth by others. Such sites should generate receipts to at least cover the Council’s cost of investment and release. In extraordinary circumstances, the Council may need to make use of the full suite of statutory powers it has (including Compulsory Purchase). This may be considered where there is a demonstrable benefit for such an intervention.

Output – c.100-150 new homes

Priority and Timescale – P2; due for completion within 4-5 years

DTP2 - Proactive Enabling Service

The Local Authorities with the most successful sustained records of affordable housing delivery have dedicated teams of Housing Enabling officers, who specialise in the following activities:

- Proactive consultee to the Local Planning Authority, providing technical advice on residential development applications and viability, over (and close to) minimum affordable housing thresholds;
- Hands-on approach to unlocking stalled sites – maintaining clear, and robust data on available sites; with an objective to try match these with RPs/ socially-minded developers;
- Close working with Homes England to identify opportunities to meet national funding opportunities, and support RP scheme bids when submitted;
- Support CLT/CLH & Neighbourhood Plan groups with community-led housing proposals;
- Working with developers to secure early delivery of affordable homes;
- Proactive identification of opportunities for investment of off-site contributions;
- Undertaking detailed housing need surveys to better understand the local housing need profile;
- Community engagement to build awareness of need, and signposting opportunities for delivery;
- Identifying new funding streams and programmes to enable growth;
- Building a robust evidence base of supply, demand, opportunity, and partner capacity, to understand the balance of need and inform future Local Plans;
- Identify opportunities to make better use of schemes, or land;
- Develop robust housing policies to secure the maximum level of on/off-site affordable housing;

- Technical expertise, to provide place-leadership, locally, regionally and nationally.

Torbay Council has not had this resource for many years. The recruitment of a new Head of Strategic Housing & Delivery is an essential first step, but additional specialist resources will be necessary for the Council's ambitions to be realised, to work towards an incremental (and meaningful) increase in new supply.

The five-year average affordable housing output in Torbay is just 60 affordable homes per annum – this is extremely low; and indeed, skewed upwards by an atypically high output in 2018/19. Enabling activities take time to come to fruition and rely on the willingness of partners: as such, there will be a lag before growth will be seen in annual performance. Nevertheless, if this plan is endorsed, the target will be to facilitate an uplift of 5% per annum in Years 1-3 against the rolling average 5-year delivery figure. By the end of year 3, the first effects of a proactive strategy should start to be seen, so the Annual Reviews at the start of Years 4 and 5 will consider whether the 5% figure should be rebased, taking account of current market conditions.

Output – 5% increase in rolling average 5-year affordable housing output, per annum
Priority and Timescale – P1(a); due for completion within 1-3 years

DTP3 - SHAP

The local YMCA have secured an allocation of grant from the Single Homeless Accommodation Programme (SHAP) to deliver specialist supported housing in Torbay. YMCA are entirely responsible for the project's delivery; however, there is a supporting role for the Council in terms of assisting with site identification etc.

The approved bid requires YMCA to provide 32 supported accommodation units for young people at risk of homelessness, as part of a 4-stage pathway to independent living.

Output – 8-20 new affordable homes
Priority and Timescale – P1(a); due for completion within 1-3 years

DTP4 – Local Planning Policy review

Torbay has an adopted Local Plan, but a review is just being commenced to update policies to take account of the current national and local position. Through this work, it is imperative that we make the changes to policy necessary to make the planning system deliver more affordable housing for local people. This should not change the overall amount of growth in Torbay but should direct a greater proportion of it to provide the homes that local people need.

An example of such a change could be to consider bringing our affordable housing thresholds in the urban area back in line with the national policy position of seeking a contribution from schemes of 11-units or more (as opposed to the current 15-unit threshold).

6. Housing Management

The Council's position is currently that it does not want to become a long-term social landlord. The proposal instead is that the Council should make capital interventions to stimulate growth; get new schemes built and seek a partner(s) to take on the ownership and management at appropriate points. It is unlikely that the Council will be able to sell individual sites as/when construction complete, as this is not an attractive proposition for an incoming RP. It is more likely that the Council will be able to sell batches of homes to an RP over time. As a result, there is a likelihood that the Council will need to take interim or medium-term management responsibility after construction completion. For financial modelling purposes, officers will ensure schemes are viable for the Council's investment on both a notional 5-year deferred disposal, and a long-term development finance model, in the event that it's not possible to find

an RP purchaser. Where long-term ownership is inevitable, officers will also consider opportunities to externalise management responsibility, paid for through rental income, to reduce the obligations on Torbay Council.

7. Housing Delivery Resourcing Plan

This Housing Delivery Plan is ambitious, both in terms of the targets for council growth and the goal to increase output through partners. It will be impossible to achieve these ambitions without a specialist team to undertake the work required.

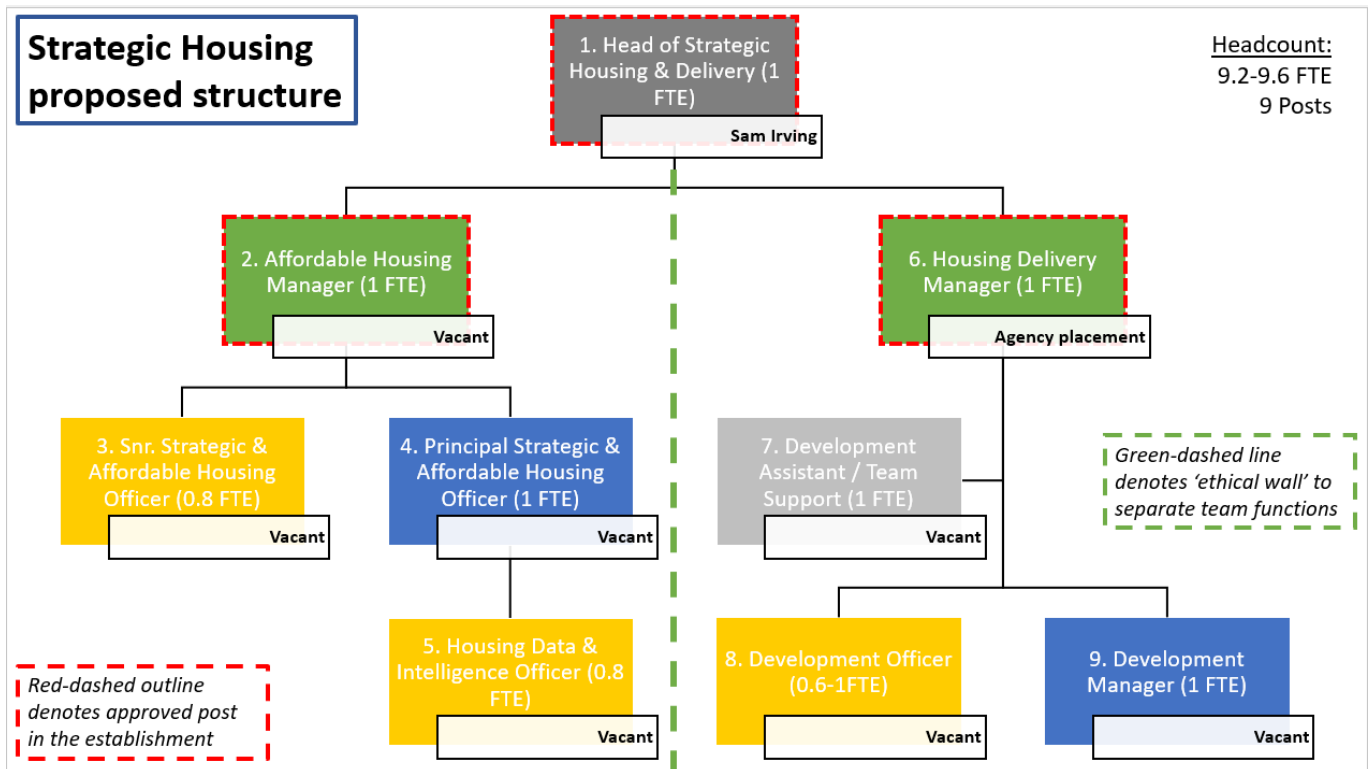
A multi-disciplinary team structure has been developed to reflect the different approaches needed. This includes:

- a dedicated ‘Enabling Team’, comprising officers committed to the activities outlined in the DTP section; this also ties with the recent Devon Housing Commission [report](#), which strongly recommends that housing enabling services should be ‘at the heart of Local Authorities’. Combined with;
- a skilled in-house Delivery Team to manage those direct capital interventions outlined in the HCS and NCH sections, above.

The teams need to work within a joint overall vision for growth, but the expertise required is quite different. It should also be noted that there is a critical need to separate the two functions by an ‘ethical wall’ through the Head of Service to prevent any conflict (or perceived conflict) of interest between the functions. This is because the Enabling Team will deal with regulatory issues supporting the LPA; whereas the Development Team deal with quasi-commercial activities requiring consideration by the LPA. A need for such separation is common and there are established models for how this can be managed effectively.

The proposed structure is outlined in [Figure 1](#) below:

Figure 1 – Strategic Housing proposed structure



The structure above is considered the minimum size necessary to deliver the extent of growth outlined in this paper. Recruitment would be phased to ensure that staff only join as and when projects commence, and the additional capacity is required. If we can manage to deliver all the outcomes of this paper with a

smaller number of staff resources, we will. Such a structure also offers excellent growth and promotion opportunities for staff elsewhere within Torbay Council with relevant skills and expertise. It also gives us the capacity we need to take a leading role in the emerging CCA's response to Housing, and the additional delivery that is likely to come forward as a result.

Analysis

The team is led by the Head of Strategic Housing & Delivery (Post 1). Vacant Team Manager positions sit below (coloured green), which have been approved in the structure. These are technical experts, requiring a considerable level of experience and knowledge in their subject areas.

Senior technical specialists are coloured blue. Again, these posts require technical and operational experience and will only be suitable for applicants that have a comprehensive operational understanding of their subject area. They also need a good familiarity with the way a local authority operates and is structured in respect of the political and committee system.

Posts in yellow and light grey are entry-level, providing Torbay Council with an opportunity to train the next generation of its workforce. Aligned to the Council's [Our People strategy](#), these posts are ideal for university graduates or early-stage career colleagues. All opportunities to recruit this type of candidate (or promote within) the Council will be considered. An understanding of the subject matter would be advantageous; but these posts are designed for people starting out or moving into this field. This approach provides the Council with workforce resilience as new officers will be trained by experienced team members and be well-placed to take promotion opportunities when they arise.

The structure has been costed by Finance based on the FTE count outlined, along with a worst-case scenario of top-of-salary scale for most posts, with the mid-point of posts identified as 'career grade'. For the 2024/25 year, the total revenue cost of the proposed structure (based on assumed post grading, and 100% occupancy) is £0.516m.

Staff in the 'Delivery' team can charge a proportion of their time to capital projects; overall, the reasonable expectation is that £0.192m p.a. can be funded through capitalisation in the medium term. The Enabling Team cannot charge time to capital but do have an ability to generate a modest level of income from Enabling Activity Fees and other chargeable services. A reasonable estimate would be income generation of c.£0.060m p.a.; the more affordable housing we produce, the higher this income stream will be (this would also positively impact the Council Tax base, too). Overall, there is an ability to fund £0.252m from capitalisation and income generation. This, based on the team cost, would leave a revenue requirement of £0.264m based on the total cost identified; however, the existing approved budget already in place is £0.269m, meaning that there is sufficient budget to fund the team structure as set out.

There are three things to note, however:

1. We have assumed that we can recruit to the posts based on the salaries proposed, without recourse to market supplements. Experience would suggest that it is likely that salary top-ups will be required to meet applicant expectations and to secure good quality candidates compared to other similar posts in the market at present (including from other nearby LAs where benchmarked salaries are higher).
2. The existing revenue budget does not leave headroom for expenses or other costs, such as training, IT, or corporate travel etc. This is unlikely to be realistic, as the nature of the roles means travel to site, partners offices and regional events is common. Career grade posts are likely to also need funding to pay for relevant qualifications etc.

- There is a lag between creating a development function, and generating schemes that themselves can produce capitalisation; so, whilst capitalisation is possible in the future, in the first 12-36 months, there may be a cost pressure whilst schemes are worked up and taken through the system.

Finance advise that it would be prudent to increase the revenue budget by £0.075m to take account of any additional costs associated with recruitment, training, and travel etc., but is considered a worst-case scenario. However, as there is a small revenue surplus in the existing budget so the overall net impact to the Council (i.e. the scale of budget uplift required) is limited to £0.071m. As above, however, the first three years are likely to see fewer options for capitalisation, and therefore additional upfront revenue pressures may be greater initially until the programme grows in scale to generate the required level of income. The proposed revenue funding strategy is provided in [Figure 2 below](#):

Figure 2 – Likely anticipated cost of Strategic Housing & Delivery Service

	Projected cost	Budget	Time capitalisation	Income Generation
Team Cost	-£ 516,182			
Cost centre uplift	-£ 75,000			
Approved Budget		£ 268,000	£ -	£ -
Anticipated income		£ -	£ 191,957	£ 60,000
Budget Uplift		£ 71,225	£ -	£ -
Sub-total	-£ 591,182	£ 339,225	£ 191,957	£ 60,000
Grand Total	-£ 591,182	-£ 251,957	-£ 60,000	£ -

8. Assurance

Due to the volume of housing projects in train and envisaged through this Delivery Plan, a new Housing Capital Programme (sub-)Board (HCPB) will be created. This will have operational oversight of all social housing delivery projects, with the appropriate expertise to provide honest, objective assurance to Capital & Growth Board. HCPB will be chaired by the Head of Strategic Housing & Delivery as the Council's housing delivery specialist, supported by the delivery management personnel, external resources (where required), the capital programme manager, and representatives from finance, legal, PR and commercial services, as set out below.

Name	Title	Project Role / Area of Expertise
Sam Irving	Head of Strategic Housing & Delivery	Senior Responsible Officer / Chair
Neil Edwards	Interim Development Consultant	Development Manager
Caroline White	Interim Housing Delivery Manager	Development Manager
Lianne Hancock	Head of Housing Options	Housing need, lettings
Patrick Rafferty	Capital Programme Manager	Alignment with capital strategy and governance
Andrew Sherry	Head of Finance	Financial oversight and scrutiny
Tracey Field	Head of Commercial Services	Alignment with commercial strategy & CPRs
Ed Oldfield	Engagement and Comms Officer	PR (as required)
Claire Kitchener	Senior Solicitor	Legal representation (as required)

Table 4 - Project Board

HCPB's principal role is to provide meaningful technical assurance and scrutiny of housing-related projects; to consider the role of subsidy (and the most appropriate form); relevant industry best-practice and benchmarking; and routes to delivery. Creation of this Board empowers its members to develop technical familiarity with social housing, increasing our corporate knowledge and delivery potential. Individual scheme

officers will also be robustly challenged to explain the reasons for any out of tolerance slippage and the development of appropriate recovery plans.

HCPB will report up to Capital & Growth Board, such that there is always corporate oversight of how projects are moving forward. This reporting up process also allows for the escalation of matters that require a wider corporate decision. Monitoring and performance reporting will be facilitated through monthly highlight reports (per project), delivered to the Housing Capital Programme Board, summarised for C&GB.

Appendix 1 - Housing Delivery Plan Programme Monitor

Project Ref.	Scheme name	Description	Output	SRO / client	Project Lead	Project Start	Project Completion	Matters to be resolved	Operational resources required for delivery (<i>and status</i>)	Outstanding Risks (and likelihood)	Assurance	Priority
Housing Capital Schemes												
HCS1	St. Kilda's	Redevelopment of former care home to provide 23 no. units of social rented housing	<ul style="list-style-type: none"> 23 no. units of social housing (14 x 1-bed (2-person) and 9 x 2-bedroom (3-person) flats, with management and communal spaces 	Sam Irving	Neil Edwards	SoS: June 2024	Completion: Spring 2026	<ul style="list-style-type: none"> Transfer of land to Torbay Council Resolution of Value Engineering exercise and change to contract cost structure Construction completion 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) Lead – Torbay Council Delivery Manager (secured) Employer's Agent, Clerk of Works, and Principal Designer (secured) Construction partner (secured) TVH resources to expedite land transfer (secured) Housing management (secured) 	<ul style="list-style-type: none"> Contractor insolvency (unlikely) Construction delay on-site (possible) 	Housing Capital Programme Board	P1(a)
HCS2	Extra Care Delivery	Development of extra care housing for social rent	<ul style="list-style-type: none"> 70+ units of social housing, with communal spaces, café, hobby spaces and facilities for visiting care staff 	Sam Irving	Neil Edwards	SoS: TBC	Completion: TBC	<ul style="list-style-type: none"> Identification of most suitable site(s) Confirmation of funding capacity Completion of remaining design works Full cost appraisal Outline and Full Business Case approvals (HCPB/C&GB) Capital Award (Cabinet/Council) Extension of the current AHP/new AHP with eligible bid route Submission of Homes England bid Technical services contract Construction partner contract Discharge of planning conditions 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) Lead - Development Manager (secured) External technical PM specialist (REQUIRED) Employer's Agent, Clerk of Works, and Principal Designer (secured) Construction partner (REQUIRED) TorVista Homes resources to undertake land transfer (in progress) Housing management (secured) 	<ul style="list-style-type: none"> Decision about which site(s) to proceed with, for this specific product (possible) Delay on publication of new/extended Homes England programme (very likely) Schemes being unviable (likely) Increase in scheme costs (very likely) Failure to secure contractor within budget (possible) Contractor insolvency (unlikely) Homes England grant bid failure (unlikely) Construction delay (possible) Technical issues further affecting projected start on site (possible) 	Capital & Growth Board Housing Capital Programme Board	P1(a)
HCS3	Accommodation Repurposing Project	Acquisition and redevelopment of former holiday accommodation, to provide additional social housing	<ul style="list-style-type: none"> Initially 18 flats for social rent (35-50 over 5 years), through conversion of hotels and leisure accommodation into new social housing 	Sam Irving	Caroline White	April 2024	Ongoing	<ul style="list-style-type: none"> Compliance with Homes England grant conditions Identification of suitable sites Resolution of delivery model Agreement on procurement approach Identification of suitable construction methodology Exit strategy for schemes Development and endorsement of business case 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) Lead – Torbay Council Delivery Manager (secured) External commercial market intelligence (secured) Legal (secured) Procurement support (secured) Housing management (secured) 	<ul style="list-style-type: none"> Schemes unviable (unlikely) Failure to get support for Strategic Business Case (unlikely) Failure to secure sufficient opportunities (very unlikely) Homes England grant bid failure (unlikely) Failure to secure construction partner within budget (possible) Contractor insolvency (unlikely) Construction delay (possible) 	Capital & Growth Board Housing Capital Programme Board	P1(a)
HCS4	Rough Sleeper Assessment Centre, SWEP, and move-on accommodation	Conversion of buildings into a multi-occupation supported housing scheme for homeless individuals	<ul style="list-style-type: none"> 12+ bedspaces for rough sleepers A shared 2-bedroom move-on flat c.6 move-on independent flatlets management and recreation space 	Sam Irving (on behalf of Tara Harris)	Caroline White	July 2025	September 2026	<ul style="list-style-type: none"> Reservation of the sites for this use Establishing suitable form of design, and mixed client group approach Capital model for delivery, utilising grant wherever possible Scheme viability Community opposition Political buy-in 	<ul style="list-style-type: none"> Client - Head of Strategic Housing & Delivery (on behalf of Divisional Director for Community & Customer Services (secured)) Development Manager (secured) Technical specialist – Head of Housing Needs (REQUIRED) 	<ul style="list-style-type: none"> Political opposition (unlikely) Community objection (very likely) Planning refusal (unlikely) Inability to identify grant (possible) Securing a contractor / insolvency (possible) Quality of input from external technical specialists (unlikely) 	Capital & Growth Board Housing Capital Programme Board	P1(b)

Appendix 1 - Housing Delivery Plan Programme Monitor

Project Ref.	Scheme name	Description	Output	SRO / client	Project Lead	Project Start	Project Completion	Matters to be resolved	Operational resources required for delivery (and status)	Outstanding Risks (and likelihood)	Assurance	Priority
HCS5	Regeneration Partnership	Strategic regeneration of key brownfield sites in town centre locations, to deliver mixed use residential and commercial opportunities.	<ul style="list-style-type: none"> 555 new homes, including 280 affordable Comprehensive town centre regeneration Leveraging grant and investment Major growth to uplift areas experiencing deprivation 	David Carter	David Carter	November 2024	March 2028	<ul style="list-style-type: none"> Preparation of planning applications for the various sites Agreement on funding strategy, and financial partner Resolving site capacity for individual schemes Reviewing unviable consents to make deliverable Delivery partner for affordable homes vs. long-term AH ownership by Torbay Council (viability dependent) Application of grant funding Scale of investment and delivery capacity Site assembly 	<ul style="list-style-type: none"> Client – Divisional Director Strategic Developments (secured) Development Management & PM Team – Wilmott Dixon/Milligan (secured) Internal PM team - (secured) Legal advisors - (secured) Specialist affordable housing viability – Head of Strategic Housing & Delivery (secured) 	<ul style="list-style-type: none"> Site unviability (very likely) Portfolio unviable (unlikely) Unable to secure planning consent for all sites (possible) Implementation delay (possible) Inability to secure viable model (unlikely) Partner lack of capacity (very unlikely) Market failure at the point of sale, affecting outturn GDVs and RLVs (possible) Inability to assemble relevant parcels (unlikely) Failure to secure construction partner within budget (possible) Planning refusal (unlikely) 	Capital & Growth Board Regeneration Programme Board	P2

New Specialist Housing												
NSH1	Strategic Asset Review	Comprehensive review of Council-owned assets to establish best use, including BAU use, repurposing for affordable housing or disposal to an RP partner	<ul style="list-style-type: none"> A rationalised, efficient estate A pipeline of land and buildings for re-development to meet the needs of identified client groups A package of assets for disposal 	Alan Denby	Sam Irving / Paul Palmer	July 2024	November 2024	<ul style="list-style-type: none"> Transfer of assets from TVH/TDA Project leadership and client model with suitable parameters and brief A 'one council' approach to making best use of the asset base to best serve the people of Torbay Formation of working group to be chaired by independent director, to ensure high-level buy-in and objective view. Agreeing scope for review 	<ul style="list-style-type: none"> Client - Strategic Director (REQUIRED) Divisional Director for Strategic Development (REQUIRED) Head of Strategic Housing & Delivery (secured) Lead - Strategic Head of Asset Management (REQUIRED) Delivery resources (REQUIRED) Heads of Service from other Directorates (REQUIRED) 	<ul style="list-style-type: none"> Lack of corporate engagement and buy-in to the process (possible) Lack of agreement about the priority of the situation, and the need to focus resources in this way (possible) Lack of sites identified as suitable (unlikely) Lack of client capacity to work up projects on assets identified for redevelopment (possible) 	New Asset Review Board to be created	P1(c)
NSH2	TA Acquisition Programme	Extension to the recently completed programme to provide further TA homes	<ul style="list-style-type: none"> Acquisition of additional 12 family homes, to bring the overall total up to 50 homes 	Tara Harris	Tara Harris	September 2024	June 2025	<ul style="list-style-type: none"> Financial model Business case and agreement on financial parameters Housing Management arrangements 	<ul style="list-style-type: none"> Client – Divisional Director for Community & Customer Services (secured) Lead – External Procurement (REQUIRED) Legal (REQUIRED) Housing management (REQUIRED) 	<ul style="list-style-type: none"> Agreement of proposal (possible) Securing a viable business model (unlikely) Lack of suitable opportunities (unlikely) 	Capital & Growth Board Homeless Accommodation Board	P1(b)
NSH3	Off the Shelf acquisitions	Turnkey acquisition of newbuild homes for social rent	<ul style="list-style-type: none"> 5-10 new homes per annum, Securing additional Homes England grant to reduce capital outlay 	Sam Irving	TBC	June 2024	June 2029	<ul style="list-style-type: none"> Financial model Business case and agreement on financial parameters Need profile Grant applications Exit strategy for schemes 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) Lead – Torbay Council Delivery Manager (REQUIRED) Legal (REQUIRED) Housing management (secured) 	<ul style="list-style-type: none"> Agreement of proposal (possible) Securing grant funding (unlikely) Securing a viable business model (unlikely) Lack of suitable opportunities (possible) 	Capital & Growth Board Housing Capital Programme Board	P1(b)
NSH4	Surplus Partner Assets	Identification and redevelopment of underused assets	<ul style="list-style-type: none"> Anticipated benefits are expected to be small; a notional 	Sam Irving	AH Manager –	September 2024	March 2026	<ul style="list-style-type: none"> Identification of suitable land assets Identification of willing partner 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) 	<ul style="list-style-type: none"> Availability of suitable sites, which can meet a local need (possible) Availability of suitable partner (possible) 	Capital & Growth Board	P2

Appendix 1 - Housing Delivery Plan Programme Monitor

Project Ref.	Scheme name	Description	Output	SRO / client	Project Lead	Project Start	Project Completion	Matters to be resolved	Operational resources required for delivery (<i>and status</i>)	Outstanding Risks (and likelihood)	Assurance	Priority
		to generate additional affordable housing	target of 8-20 units is considered possible		resource required			<ul style="list-style-type: none"> Ability to identify a commercially advantageous way to support Planning strategy for contentious sites 	<ul style="list-style-type: none"> Lead – Affordable Housing Manager (REQUIRED) Adult Social Care specialist (REQUIRED) 	<ul style="list-style-type: none"> Planning (possible) Viable business case, requiring additional Council subsidy (likely) Lack of grant funding (unlikely) 	Housing Capital Programme Board	

Delivery Through Partners												
DTP1	Strategic Land Assembly and Release (SLAR)	Acquisition and release of key development land – serviced where necessary to accelerate delivery	<ul style="list-style-type: none"> Expected to facilitate the delivery of c.100-150 new housing to assist the Local Plan Prioritisation of brownfield land, with servicing/de-risking as required. 	David Carter	Sam Irving	September 2024	Ongoing	<ul style="list-style-type: none"> Funds to meaningfully assemble and de-risk land for development Identification of suitable opportunities Acquisition and Release Strategy development Identification of any public funding streams that may help fund the projects or plot-specific servicing 	<ul style="list-style-type: none"> Client – Divisional Director – Strategic Development (REQUIRED) Lead – Head of Strategic Housing & Delivery (secured) Torbay Council Delivery Manager (REQUIRED) Commercial specialists (potentially Wilmott Dixon) (REQUIRED) 	<ul style="list-style-type: none"> Agreement of the proposed model (unlikely) Lack of commercial interest (very unlikely) Inability to assemble relevant parcels (unlikely) Market failure at the point of sale, affecting outturn GDVs and RLVs (possible) 	Capital & Growth Board	P2
DTP2	Proactive Enabling Service	Provision of specialist enabling service to drive growth	<ul style="list-style-type: none"> 5% increase in rolling affordable housing output p.a. against rolling 5-year target 	Sam Irving	Sam Irving	April 2024	Ongoing	<ul style="list-style-type: none"> Approval of overall structure Finalisation of recharge model Job Descriptions for all roles Recruitment 	<ul style="list-style-type: none"> Client – Head of Strategic Housing & Delivery (secured) HR support – HR Business Partner (REQUIRED) 	<ul style="list-style-type: none"> Lack of support (possible) Inability to recruit, based on Torbay salary structure (likely) Unsuccessful in retaining staff (unlikely) 	JE Panel	P1(a)
DTP3	SHAP	Provision of bespoke housing solutions for single homeless clients	<ul style="list-style-type: none"> Delivery of projects to meet the DLUHC allocation, and provide new homes for the cohort 	YMCA	YMCA	April 2024	March 2025	<ul style="list-style-type: none"> YMCA to identify suitable assets for acquisition and conversion Creation of allocation policies to ensure homes are given to eligible persons in greatest need 	<ul style="list-style-type: none"> None – Pastoral/oversight role only. To be led entirely by YMCA 	<ul style="list-style-type: none"> YMCA seek to acquire unsuitable assets for delivery (possible) YMCA unable to secure suitable properties (unlikely) YMCA unable to secure planning consents (likely) 	N/A	P1(a)
DTP4	Local Planning Policy review	Updating local policy to deliver more affordable housing through s106	<ul style="list-style-type: none"> An increase of affordable housing (on-site and off-site) delivered through private development 	David Edmondson	David Pickhaver	June 2024	March 2025	<ul style="list-style-type: none"> Viability testing Review and adoption of formal policies 	<ul style="list-style-type: none"> Client – Divisional Director for Planning, Housing & Climate Emergency (secured) Lead – Principal Policy and Project Planner (secured) 	<ul style="list-style-type: none"> Local Plan viability appraisal does not support the position determined (possible) Lack of support from Members (unlikely) 	Cabinet	P1(c)

Summary as date of document:

P1(a) projects = 5

P1(b) projects = 3

P1(c) projects = 2

P2 projects = 3

Total = 13 projects