

Record of Decisions

Acquisition and redevelopment of Projects 4 and 5 of the Accommodation Repurposing Programme

Decision Taker

Cabinet on 21 July 2026

Decision

- 1) that delegated authority be granted to the Director of Regeneration and Place Delivery, in consultation with the Director of Finance and the Cabinet Member for Housing and Finance, to acquire Sites 4 and 5 subject to:
 - (i) the developer securing planning consents that are acceptable to the Council for conversion and refurbishment of the two properties;
 - (ii) an acceptable level of Homes England grant;
 - (iii) satisfactory completion of all relevant due diligence, and
 - (iv) completion of an appropriate form of linked Joint Contracts Tribunal (JCT) Design & Build Contract for the sites (all as outlined in Exempt Appendices 1 and 2, respectively);
- 2) that an overall Total Scheme Cost for Site 4 of £2,138,948 and Site 5 of £4,192,434 (with Total Scheme Costs to include land purchase, build contract, internal/on-costs and project contingencies etc.), be approved; and
- 3) that authority be delegated to the Chief Executive, in consultation with the Director of Finance and the Director of Adults Community Services, to determine the future use of the sites and in doing so, to approve additional capital expenditure up to 15% of the overall scheme cost that provides adaptation or enhancement of the proposed scheme to facilitate the housing of a specific cohort of Adult Social Care Need in either site that will result in additional revenue savings to the Council.

Reason for the Decision

Torbay Council was experiencing a period of heightened demand for Temporary Accommodation (TA) by households that found themselves in urgent need of housing assistance. Providing TA was expensive for any Council; without a consistent supply of new properties being delivered demand for support increases along with the Council's cost of providing such emergency assistance. In 2025, the Council trialled a new approach to both reduce the pressure on our TA stock and to reduce our associated revenue losses. The Council acquired two blocks of flats in Paignton and Torquay funded by borrowing and Homes England grant, to enable their use as social housing. All homes were let to households that had until that point, been living in Council provided TA, including some care experienced young people. This was successful, it reduced pressure on our limited TA stock and provided considerable beneficial outcomes for our vulnerable households. Significantly, it also reduced the Council's TA expenditure. It was the intention of the Council to replicate the success from this trial at future sites.

Implementation

The decision will come into force and may be implemented on 3 August 2026 unless the call-in

procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Accommodation Repurposing Programme (ARP) had been created to address the shortfall of new housing supply in Torbay, by seeking to repurpose vacant or unviable former hotels (and other brownfield land), to reduce the number of homes that had to be built on greenfield sites. Homes delivered through this programme were all built and delivered as social housing by the Council (at social rents), for households local to Torbay.

It was proposed that the Council acquired and builds Sites 4 and 5 of the programme. Site 4 was a moderate building, most recently utilised as care facility, but previously having operated as a hotel (and originally as a large private house), which can be converted into 10 self-contained homes. Site 5 was a large, formerly successful hotel, which closed in 2024 following several years of financial decline and rising costs, which converts into 19 self-contained homes. Both sites had been offered to the Council for the ARP, by a local small, medium enterprise (SME) development and construction firm and can be brought forward quickly for redevelopment for social housing through land and build “package deals”. In this delivery mechanism, a developer would secure a development opportunity and at their risk would obtain the necessary consents required to deliver the project. The Council purchases the land from the developer and simultaneously enters into a JCT Design and Build contract to deliver the built scheme, following grant of an acceptable planning consent, securing an appropriate allocation of Homes England grant funding, and following satisfactory completion of all necessary Due Diligence for the project (in respect of the land purchase and the build contract). All homes would be provided as social housing and let through Devon Home Choice to suitable and eligible applicants with a local connection to Torbay.

At the meeting Councillor Tyerman proposed and Councillor Bye seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

There were a number of alternative options set out in the submitted report, however the recommended option was option 3.

Option 3 proposed proceeding with the acquisition and development of Site 4 to provide 10 no. 1-bedroom flats. This would increase supply and help reduce TA demand but potentially misses an opportunity to deliver something more bespoke for a specialised cohort. Option 3 also proposed the acquisition and delivery of Site 5; again, helping to improve the housing supply. In this instance, it is not anticipated that the Site 5 would be suitable for a supported housing scheme, and so the proposal for site 5 was limited to providing social housing in the first instance to households currently living in TA provided by the Council.

This approach proactively addresses an identified need for homes and aligns with the ambitions within the emerging Torbay Local Plan in respect of increasing the amount of affordable housing delivered in Torbay. Redevelopment would improve the local environment and reduce the risk of the sites remaining vacant or becoming subject to deterioration or anti-social behaviour. In addition, the schemes would contribute positively towards the Council's housing delivery targets and strategic housing priorities by increasing supply. Whilst the proposals require capital investment and the management of development risks, these were considered proportionate and manageable when balanced against the long-term benefits that the schemes provided.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

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24 July 2026

Signed: _____ Date: _____
Leader of Torbay Council on behalf of the Cabinet