

**Meeting:** Cabinet

**Date:** 19 August 2025

**Wards affected:** St. Peter's with St. Mary's and Furzeham with Summercombe

**Report Title:** Acquisition of land for the delivery of affordable homes.

**When does the decision need to be implemented?**

**Cabinet Member Contact Details:** Cllr. Alan Tyerman, Cabinet Member for Housing and Finance, [alan.tyerman@torbay.gov.uk](mailto:alan.tyerman@torbay.gov.uk).

**Director Contact Details:** Alan Denby, Director of Pride in Place, [Alan.denby@torbay.gov.uk](mailto:Alan.denby@torbay.gov.uk)

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## 1. Purpose of Report

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- 1.1. To provide direction and the necessary delegations to acquire the site identified in exempt appendix 1 for the future delivery of affordable housing.
- 1.2. To enable the partial spend of the £1.2 million of ringfenced housing revenue funding, approved by Cabinet and Council in March 2025.

## 2. Reason for Proposal and its benefits

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- 2.1. Torbay faces acute housing challenges making it difficult for households on typical local incomes to secure affordable, quality homes.
- 2.2. Torbay needs more affordable homes to meet local need. Devon Home Choice data shows 1,600 households with a local connection to Torbay need housing and the Council's Housing Strategy has been developed to shape the Council's response to that need.
- 2.3. The Housing Strategy and its supporting Delivery Plan identifies a range of housing challenges which include the mismatch between demand and supply, rising private rental costs, overstretched social housing and others. To address these local challenges the Housing Strategy proposes interventions intended to address these issues and increase the delivery of affordable housing in Torbay.
- 2.4. Officers have identified a potential site for acquisition for affordable housing in Brixham, as identified in Exempt Appendices 1 and 2. The site is a well-located infill site and is highly sustainable. It has the potential to deliver approximately 14 homes for local families subject to the design and planning of the scheme.

- 2.5. This proposal is specifically to acquire the site, utilising part of the £1.2m revenue funding allocated to affordable housing within this year's budget, as approved by Cabinet and Council in March 2025. Additional borrowing is not required for the land acquisition.
- 2.6. This proposal supports several key local and national strategic aims:
- Community & Corporate Plan; The proposed scheme addresses Pride in Place priorities and outcomes including the number of affordable homes and social rented homes delivered.
  - Torbay Local Plan: It supports policy aims around sustainable development, brownfield land use, and meeting identified housing needs.
  - Torbay Council's Housing Strategy: The scheme directly contributes to the objective of "delivering more, better and affordable homes" by unlocking new supply and promoting inclusive growth.
  - Housing Delivery Plan: The Delivery Plan (First Review) specifically recognises the value of acquiring infill sites in town centres, to deliver affordable housing in this way in delivery streams NSH4 and NSH5.
- 2.7. The proposed acquisition demonstrates a commitment to using our resources proactively and strategically to meet the needs of our communities. This proposal represents a cost-effective and timely opportunity to deliver against multiple strategic objectives, utilising funding already allocated for this purpose.
- 2.8. By endorsing this acquisition, the Council will strengthen its response to local housing pressures and enhance its affordable housing stock for future generations.

### 3. Recommendation(s) / Proposed Decision

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- 3.1. That Cabinet:
1. Provide delegated authority to the Director of Finance, in consultation with the Cabinet Member for Housing and Finance, and the Director of Pride in Place, to acquire on appropriate terms the site identified in Exempt Appendix 1, from the £1.2m revenue reserve allocated to support affordable housing delivery by Cabinet and Council in May 2025.
  2. That the Director of Pride in Place bring forward proposals for how the site will be developed at the earliest opportunity.

## Appendices

- a) Exempt Appendix 1 – Location plan of the site
- b) Exempt Appendix 2 – Outline Business Case; Please note that agreement to proceed with the development outlined in this business case is not being sought at this time. The business case illustrates one potential model of delivery.

## Background Documents

### 3. Introduction

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- 3.1. Torbay faces significant and compounding housing challenges. While the area is nationally renowned for its natural environment and appeal as a tourism destination, these attributes mask entrenched issues of housing unaffordability, deprivation, and inequality.
- 3.2. The area faces a range of housing challenges which include:
- A lack of affordable housing: There is a significant shortfall of homes available for social rent.
  - Stagnant housing delivery: Privates sector led delivery has slowed in recent years due to individual site constraints, the limited availability of unconstrained, developable land, the high cost of build and build finance, and high costs of mortgages.
  - High housing demand and unmet need: 1,600 households are typically registered on Devon Home Choice with a need for social housing in Torbay at any given time. This includes growing numbers of families, older people, single-person households, and those facing eviction or unsuitable living conditions.
  - Increased reliance on temporary accommodation: The Council has seen a trend of rising homelessness presentations. Whilst the number of households requiring support at any given time has stabilised at approximately 160, it is difficult to reduce these numbers as a result of very limited new social housing stock, and the general poor quality, expense and lack of good quality private rented sector housing. This leads to high revenue costs to the Council in securing short-term, unsustainable temporary accommodation solutions for those in urgent need.
  - Poor housing quality and hidden homelessness: A significant proportion of Torbay's housing stock is older and in poor condition, particularly in the private rented sector. This has led to health inequalities, increased fuel poverty, and greater demand on local health and social care services.
- 3.3. These factors combined are creating a housing system under severe strain, this report sets out a deliverable opportunity to increase the affordable housing stock for local people, at a rent that is genuinely affordable.
- 3.4. By securing the site identified in Exempt Appendices 1 and identifying the optimal route for its development, the Council can ensure that homes are not only built, but also meet our priorities around design quality, environmental sustainability, and local allocation.
- 3.5. This will support the Council's wider aims, including:
- Reducing housing-related pressures on social care and health services;
  - Delivering sustainable, walkable communities near key infrastructure;
  - Supporting town centre revitalisation and place-making in Brixham; and

## 4. Options under consideration

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- 4.1. In developing this proposal, the Council has considered two principal options:
- 4.2. **Option 1** Is to proceed with the acquisition of the land identified in Exempt Appendix 1 capable of delivering an anticipated 14 new homes anticipated to be for social rent, as demonstrated in Exempt Appendix 2.
- 4.3. This option involves utilising a proportion of the £1.2 million approved in the March 2025 Council meeting for use to fund the delivery of affordable housing schemes in the Bay.
- 4.4. **Option 2** is not to proceed with the purchase, effectively stepping away from the opportunity to bring forward a small infill site to support the local housing market. This will avoid capital risk; but will not improve the housing situation and will be less likely to secure delivery of the site to meet Local Plan targets in the short-medium term. It would also be reputationally damaging for the authority in respect of an acquisition that has wide political support and is supported for this use by the vendor.
- 4.5. On the balance of considerations, officers recommend proceeding as set out in **Option 1**.

## 5. Legal Implications

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- 5.1. The Council will be entering into a commercial arrangement to purchase an asset on the open market. Expert external conveyancers have been appointed to undertake the conveyance, and the transaction will not proceed unless and until the relevant due diligence has been undertaken to a satisfactory conclusion and identified risks are sufficiently mitigated. Once we have exchanged contracts, the Council will not be able to withdraw from the purchase without considerable penalty.
- 5.2. Once ownership has transferred to the Council, the Council will be responsible for the management of the asset in its current form, until such time as planning permission is obtained and the homes are built out. As such, the Council will need to ensure an adequate asset management strategy is in place to protect the Council's interests and also the public in respect of Health and Safety etc.

## 6. Engagement and Consultation

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- 6.1. The community will be consulted on the principle of the sites' redevelopment through the planning process.
- 6.2. The Head of Strategic Housing & Delivery has extensively briefed the Portfolio Holder for Housing and Finance, and the other Cabinet members in advance of this proposal. The Shadow Cabinet Member has also been briefed on the proposal. Senior Council officers have also been made aware of the proposal through the Capital & Growth Board.
- 6.3. Once the Council has taken ownership of the site and a plan for redevelopment has been put together, wider public consultation will be undertaken. However, it is not possible to do

that at present, as to do so now may prejudice the Council's ability to conclude a commercial transaction and in theory, the vendor's position, too.

## 7. Procurement Implications

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- 7.1. Property transactions, such as land and residential property acquisitions, are exempt from the Public Contracts Regulations 2015. Therefore, a formal competitive procurement procedure is not required for this acquisition.
- 7.2. However, the Council will still comply with its own internal Contract Procedure Rules and demonstrate best value in line with the Local Government Act 1999, this includes:
  - Evidence that the acquisition represents value for money;
  - A clear and transparent decision-making process;
  - Appropriate financial and legal due diligence.
- 7.3. It should be noted that the Council has obtained a Red Book valuation which supports the value agreed for the site; as such it represents good Value for Money and is commercially supportable.
- 7.4. The Council has appointed an external conveyancing firm to act on its behalf in managing the legal aspects of the transaction. This firm brings relevant market knowledge, experience in public sector conveyancing, and capacity to work within the required timescales. The appointment of this firm not only ensures a compliant and well-managed transaction but also supports the delivery of a value-for-money acquisition in line with the Council's legal and procurement responsibilities.

## 8. Protecting our naturally inspiring Bay and tackling Climate Change

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- 8.1. The proposal to acquire the land identified in Exempt Appendices 1 and 2 for the development of approximately 14 affordable homes represents an opportunity to embed climate-conscious, environmentally responsible design principles into the fabric of our built environment. It supports Torbay Council's declared Climate Emergency and the subsequent Climate Emergency Action Plan by creating homes that are both low-carbon and environmentally sustainable, while preserving the character and ecological integrity of the Bay.
- 8.2. The development will be delivered in accordance with current best practice in sustainable construction and environmental protection, delivering:
  - Energy-efficient homes: The development will be designed to at least meet minimum Building Regulations, with a focus on enhanced fabric performance (insulation, air tightness, and glazing) to reduce energy consumption and fuel poverty. If further enhancements can be viably delivered above the minimum standards at the point of delivery, they will be.

- Low-carbon building materials and methods: Where feasible, the scheme will promote the use of sustainable, low-emission materials and modern methods of construction (MMC) to minimise environmental impact.
- Renewable energy and futureproofing: The project will explore integration of solar panels, energy-efficient heating systems (e.g. air source heat pumps), and electric vehicle (EV) charging infrastructure to support low-carbon lifestyle for residents. The scheme would be delivered without recourse to carbon-intensive space and water heating (i.e., “no gas”).
- Sustainable transport: Provision for secure bicycle storage and good access to public transport will reduce car dependency, in line with sustainable travel objectives.

8.3. Climate change disproportionately affects vulnerable populations, including homeless households and displaced households. Providing safe, secure, and energy-efficient housing contributes to climate resilience by reducing exposure to extreme weather conditions; helping low-income households better manage rising costs; and support equitable access to housing that meets modern environmental and health standards.

## 9. Associated Risks

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9.1. There are risks associated with any commercial activity. The risks associated with this scheme are described throughout this paper.

## 10. Equality Impact Assessment

An equality impact assessment has been completed for this decision. If a scheme is ultimately proposed that seeks to provide homes for a specific cohort, further analysis will be undertaken at that time and provided to decision makers.

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation
Age	<p>18% of Torbay residents are under 18 years old.</p> <p>55% of Torbay residents are aged between 18 to 64 years old.</p> <p>27% of Torbay residents are aged 65 and older.</p>	Due to the client group to be targeted, this project is likely to provide a benefit to young families and older people looking to downsize.	<p>Scheme will be designed to meet M4(2) of Building Regulations to ensure accessibility to people with limited mobility.</p> <p>A proportion will be considered for M4(3) (fully wheelchair adaptable) subject to local need.</p>	Strategic Housing.
Carers	At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.	No adverse impacts anticipated.	Not applicable	Not applicable



	Data is not available through Devon Home Choice on the number of applicants that meet this criterion.			
Disability	<p>In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.</p> <p>The need for such housing is considered within the Torbay Local Plan.</p>	Due to being new-build properties, the buildings will adhere to Building Regulations. Any additional support needs would be assessed at the time of letting the properties.	Consider the accessibility of accommodation in the design.	Strategic Housing
Gender reassignment	<p>In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth. This proportion is similar to the Southwest and is lower than England.</p> <p>Data is not available through Devon Home Choice on the number of applicants that meet this criterion.</p>	No adverse impacts anticipated.	Not applicable	Not applicable
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	The marital status of occupants should not influence the suitability of the homes. No adverse impact is expected.	Not applicable	Not applicable

	Data is not available through Devon Home Choice on the number of applicants that meet this criterion.			
Pregnancy and maternity	<p>Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the numbers of live births since the middle of the last decade across all areas.</p> <p>Data is not available through Devon Home Choice on the number of applicants that meet this criterion.</p>	As the development proposed includes two bedroom apartments, we anticipate some residents will likely have children.	Not applicable	Not applicable
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	No adverse impact is expected.	Not applicable	Not applicable
Religion and belief	64.8% of Torbay residents stated that they have a religion in the 2021 census.	No adverse impact is expected.	Not applicable	Housing Management
Sex	51.3% of Torbay's population are female and 48.7% are male.	No adverse impact is expected. It is anticipated that additional	Not Applicable	Housing Management

		affordable housing will be beneficial.		
Sexual orientation	<p>In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.</p> <p>While data is limited, it is recognised that LGBT+ individuals are more likely to experience homelessness when compared to the wider population.</p>	No adverse impact is expected.	Not applicable	Housing Management
Veterans	In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay, 5.9 per cent of the population have previously served in the UK armed forces.	Theoretically, affordable housing is more likely to be available to former service personnel and their families, as there is a degree of preference awarded to such households when they join the housing register.	Consider needs during the lettings process	Housing Management
<b>Additional considerations</b>				
Socio-economic impacts (Including impacts on child poverty and deprivation)		No negative impact expected. Affordable housing supports those in need of a safe and warm home, facilitating the improvement of socio-economic prosperity	Not applicable	Not applicable

Public Health impacts (Including impacts on the general health of the population of Torbay)		Providing suitable, safe, and warm affordable housing is known to support physical mental wellbeing.	Not applicable	Not applicable
Human Rights		No negative impact expected	Not applicable	Not applicable
Child Friendly	Torbay Council is a Child Friendly Council, and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	No negative impact is expected as the properties purchased will specifically support families with children that need accommodation.	Not applicable	Not applicable

## 11. Cumulative Council Impact

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- 11.1. An increase to the Council's portfolio of social housing, which requires ongoing management etc. However, suitable allowances are always made in the financial modelling to ensure the long-term, appropriate management and maintenance of our housing stock.

## 12. Cumulative Community Impacts

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- 12.1. The provision of additional affordable accommodation will reduce future pressure on having to spot-purchase Temporary Accommodation, allowing vulnerable residents – particularly families – to remain within their community networks, schools, and support systems.
- 12.2. Homes would provide long-term, stable accommodation for local households in housing need through Devon Home Choice, reducing reliance on short-term lets and housing benefit-dependent arrangements.
- 12.3. There would be significant positive impact on local communities by addressing long-standing housing-needs, improving the quality of life for vulnerable residents, and contributing to the overall sustainability and cohesion of neighbourhoods within Torbay.
- 12.4. Keeping residents in Torbay ensures continued local spending and engagement with small businesses, schools, GPs and community services, as well as paying rental income to service the debt associated with the construction.