

Record of Decisions

Acquisition of land and linked development of up to 25 homes for social rent in Paignton

Decision Taker

Cabinet on 16 December 2025.

Decision

- 1) that delegated authority be given to the Director of Regeneration, in consultation with the Cabinet Member for Housing and Finance and the Director of Finance, to acquire the Land identified in Exempt Appendix 1 and to enter into a linked Design and Build Joint Contracts Tribunal (JCT) build contract with the developer, all as set out in Exempt Appendix 2 (subject to satisfactory completion of all necessary due diligence, an acceptable amount of Homes England grant funding, and of an acceptable Planning Permission);
- 2) that an Overall Project Budget of £4.913m (including build cost, land cost and all internal/on-costs), to be funded by an allocation of prudential borrowing of up to £2.098m from the £20.000m of capital headroom approved by Council in May 2025, combined with an allocation of other internal/external affordable housing subsid(ies), and subject to grant funding from Homes England's Affordable Homes Programme, be approved;
- 3) that delegated authority be given to the Director of Finance, in consultation within the Cabinet Member for Housing and Finance and the Director of Regeneration to increase the Overall Project Budget by maximum of £100,000 (if necessary), to fund any amendments required to the scheme to secure an acceptable Planning Permission. Such increase in budget to be funded by an increase to the Homes England Grant and/or other internal/external subsidies only (subject to approval of an updated Full Business case and independent Value for Money review); and
- 4) that delegated authority be given to the Head of Strategic Housing and Delivery to finalise all terms to acquire and develop the site, and to work with Homes England to secure the maximum possible allocation of grant funding to support the project's delivery.

Reason for the Decision

In May 2025, Torbay Council's Cabinet agreed to the establishment of an Accommodation Repurposing Programme, with an initial funding package of £20.000m of prudential borrowing, to enable schemes to be progressed for approval by Cabinet.

This scheme fully meets the objectives of the Accommodation Repurposing Programme and would conform with the funding mechanisms, management proposals and lettings policies of the programme.

Implementation

This decision will come into force and may be implemented on 31 December 2025 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Council had been presented with an opportunity to increase the social housing stock for local people, at a rent that was genuinely affordable. This would be achieved by redeveloping a small brownfield site in central Paignton. The scheme would deliver up to 25 units of social housing for households aged 55+.

To ensure the Council meets its established local housing need, and provide investment in the economy, it was proposed that the Council delivered the site as part of its over-arching Accommodation Repurposing Programme.

The delivery model, known as a 'package deal' in the social housing industry, would result in the Council acquiring the site from the developer at the point at which they secured a viable planning consent for social housing, with the Council simultaneously entering into a construction contract with the developer to build the consented scheme on the Council's behalf. Working with a developer in this way offers the Council a speedy, very low upfront risk mechanism to secure additional affordable housing, with minimal internal resources required to secure the scheme through to construction. Package Deals were a common delivery mechanism for social housing, offering both the developer and the Council a minimal risk route to delivery, which secured early commitment from both parties. The model ensures that responsibility for the initial site purchase and the securing of a viable planning consent was the responsibility of the developer partner. If the developer cannot secure an acceptable Planning Permission or the Council was unable to secure the necessary quantum of Homes England grant, any deal would fall away with no contractual obligation to proceed further. However, if a suitable planning consent was secured and grant confirmed, and the final construction price was viable, the Council would purchase the land at the pre-agreed price and enter into a linked JCT Design & Build Contract to build out the project.

At the meeting Councillor Tyerman proposed and Councillor Tranter 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

The preferred option was to proceed with the acquisition and development to deliver up to 25 new homes for social rent, to be let through Devon Home Choice to eligible households with a local connection to the local area.

The alternative option was to not proceed, effectively stepping away from the opportunity to bring forward a brownfield site to support the local housing market. This option was discounted. Whilst this option would avoid capital risk; it would not improve the housing situation and would 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 a project that had wide political support and was supported for this use by the vendor. It would also mean Torbay missed an opportunity to increase its social housing stock.

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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19 December 2025

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