

Tuesday, 3 September 2024

CABINET

A meeting of **Cabinet** will be held on

Wednesday, 11 September 2024

commencing at **4.00 pm**

The meeting will be held in the Banking Hall, Castle Circus entrance on the left corner of the Town Hall, Castle Circus, Torquay, TQ1 3DR

Members of the Committee

Councillor David Thomas (Chairman)

Councillor Billings	Councillor Jacqueline Thomas
Councillor Bye	Councillor Tranter
Councillor Chris Lewis	Councillor Tyerman

A Healthy, Happy and Prosperous Torbay

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

CABINET AGENDA

1. **Apologies**
To receive apologies for absence.
2. **Minutes** (Pages 3 - 26)
To confirm as a correct record the Minutes of the meeting of the Cabinet held on 20 August 2024.
3. **Disclosure of Interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda.

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda.

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(Please Note: If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items the Chairman decides are urgent.
5. **Matters for Consideration**
6. **Implementation of the Accommodation Re-purposing Project ("Hotels to Homes") and acquisition of Scheme 1** (Pages 27 - 106)
To consider a report on the above.
7. **Levelling Up Fund Round 3 - Torbay Technology Park** (Pages 107 - 120)
To consider a report that seeks authority to acquire employment land needed to develop and accelerate the Torbay Tech Park.

Minutes of the Cabinet

20 August 2024

-: Present :-

Councillor David Thomas (Chairman)

Councillors Billings, Bye, Chris Lewis, Jacqueline Thomas, Tranter and Tyerman

(Also in attendance: Councillors Bryant (virtual), Cowell, Douglas-Dunbar (virtual), Foster, Law, Barbara Lewis (virtual), Long, Stevens (virtual), Tolchard (virtual) and Twelves (virtual))

31. Minutes

The Minutes of the meeting of the Cabinet held on 11 July 2024 were confirmed as a correct record and signed by the Chairman.

32. Disclosure of Interests

No interests were declared.

33. Matters for Consideration

The Cabinet considered the following matters, full details of which (including the Cabinet's decisions and recommendations to Council) are set out in the Record of Decisions appended to these Minutes.

33.1 Hackney Carriage Tariff Increase

33.2 Leasing of Commercial Business units at Lymington Enterprise Centre, Torquay

33.3 Proposal for a Locality Model to Support our Children in Torbay who have additional needs including those with Special Educational Needs. Improving Inclusivity and Support.

33.4 Recommissioning and Procurement of 16 plus Supported Accommodation Provision

33.5 Fostering Annual Report

33.6 Local Authority Designated Officer (LADO) Annual Report 2023 - 2024

33.7 Independent Reviewing Service (IRO) Annual Report 2023 - 2024

33.8 Establishment of Cabinet Working Parties and Council Local Plan Working Party

34. Budget Monitoring 2024/25 - April to June 2024 Revenue and Capital Outturn Forecast

Members noted the submitted report and revised officer recommendation circulated on 15 August 2024.

Chairman/woman

Record of Decisions

Hackney Carriage Tariff Increase

Decision Taker

Cabinet on 20 August 2024

Decision

That the proposed amendments to the Hackney Carriage Tariff as set out in the submitted report be approved and the Director of Adults and Community Services be instructed to carry out the public consultation as set out in the prescribed process under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

Reason for the Decision

The Tariff was last reviewed in March 2022 and prior to this the Tariff had been updated in October 2019.

Since the last review, the consumer price index (CPI), which represents inflation through the change in the cost of living, had remained high. Inflation had fallen significantly since it reached 11.1% in October 2022, which was the highest rate for 40 years. However, the prices were not falling, they were just rising less quickly. Inflation had remained above the Bank of England's 2% target partly because of high energy and food prices. The price of fuel peaked in June 2022 at 191.1 pence for Petrol and 198.96 pence per litre of diesel but had reduced to its current price of 149 pence for petrol and 155.7 pence for diesel.

The drivers of inflation such as energy, fuel, food and consumer goods along with the impact on the economy from world events such as the Covid-19 pandemic and the world conflicts had continued to hit all business sectors hard, not least the taxi trade. In addition, direct overheads, such as vehicle replacement, servicing and insurance were also significant cost factors for the trade. The general hospitality and evening and night-time economy trade had also not fully recovered since the pandemic due to the cost-of-living crisis and the ongoing impact that the trade would experience financially was uncertain.

The Table of Fares (Tariff) should be set to enable sustainable income for drivers, future investment in vehicles and to clearly set rates that minimise the opportunity for overcharging or confusion.

Implementation

This decision may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The common term for Hackney Carriages is 'taxis', a customer can flag down a taxi in the street or at taxi ranks without booking unlike private hire vehicles that must always be booked in advance of the journey.

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, allows the Council to set the maximum costs and fares that drivers may charge the public for journeys taken in a taxi. The Council does not have powers to set fares for journeys in private hire vehicles.

Taxi fares were made up of an initial hiring charge (flag fall) and a mileage rate, both of which were expressed in terms of distance and or time. The Tariff had to be displayed within all taxis to allow passengers to calculate the approximate cost of their journey.

In accordance with the statutory procedure set out in Section 65 of the Local Government Miscellaneous Provisions Act 1976, Members agree the proposed changes to the Tariff, the Council must then undertake a public consultation prior to making any amendment to the Tariff. A notice must be published in at least one local newspaper circulating in the areas setting out the variation and specifying the period, which cannot be less than 14 days from the date of the first publication of the notice, within which and the manner in which, objections can be made.

If no objections to the variation of the Tariff are received, or if all objections are withdrawn, the revised Tariff will come into operation on the date of the expiration of the consultation period. However, if any objections are made and not withdrawn, the Cabinet will consider the objections and set a further date, not later than two months after the first specified date, on which the tariff shall come into force with or without further modifications.

At the meeting Councillor Tranter proposed and Councillor Billings 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 alternative options were to further amend the proposed amendments or reject the proposed amendments. These options were discounted in order to strike a balance between the legitimate right of the trade to a viable and sustainable livelihood and the needs of the travelling public to have a safe and affordable service. The cost-of-living crisis had hit the taxi trade hard most notably through the escalating vehicle purchase, maintenance and fuel costs. These costs were no longer absorbed through the existing Tariff. If the fares were not increased on a regular basis in line with inflation, then many potential drivers would be discouraged from entering or staying in the trade, leading to a shortage of supply and a decline in the quality of the service.

Is this a Key Decision?

Yes – Reference Number: I105626

Does the call-in procedure apply?

Yes

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

None

Published

23 August 2024

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

Date: 23 August 2024

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Record of Decisions

Leasing of Commercial Business units at Lymington Enterprise Centre, Torquay

Decision Taker

Cabinet on 20 August 2024

Decision

That authority be delegated to the Director of Pride in Place, in consultation with the Cabinet Member for Place Development and Economic Growth, to agree commercial heads of terms on the first lease granted at each unit at the Lymington Enterprise Centre, Torquay at a market rent.

Reason for the Decision

The benefits of fully utilising the opportunity of leasing the five light industrial units to businesses that were in need of business premises were:

- Increasing employment in the local area.
- Increasing investment in this district of Torbay.
- Managing these units on a commercial basis, minimising void periods and encouraging occupancy of businesses would meet the funding criteria.
- The rental income from these units would service the loan for the Council's financial contribution into the project to redevelop the whole coach station site.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Council had recently completed the development of five brand new industrial units at Lymington Road, Torquay. The units were now ready for occupation and whilst void would incur holding costs such as utilities, business rates, maintenance and void property inspections. The units were currently being marketed. Heads of terms for the first unit, Unit 5 had now been agreed, subject to final approval from the Council as landlord. Given the proposed level of rent, Cabinet approval was sought to delegate to the Director of Pride in Place agreement of the terms of occupation on a commercial basis at a market rent, for Unit 5 and for the remaining four units as and when potential tenants were found.

At the meeting Councillor Chris Lewis proposed and Councillor Jackie Thomas 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 alternative options were:

Freehold disposal; the units have been designed to meet the demand for business use for light manufacturing, storage and office use and were to be commercially leased. The Council would

also achieve its employment aims, by retaining control of the units and selecting which businesses can use them. Therefore, the option of a freehold disposal was discounted.

A further option was not to let out these properties on a commercial basis. This would increase the Council's void costs and extend the period before the Council could gain any rental income. This would be a significant disadvantage to the Council in terms of lost revenue and void costs and had therefore, been discounted.

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

Published

23 August 2024

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

Date: 23 August 2024

Record of Decisions

Proposal for a Locality Model to Support our Children in Torbay who have additional needs including those with Special Educational Needs. Improving Inclusivity and Support.

Decision Taker

Cabinet on 20 August 2024

Decision

1. that consultation on a Locality Model be undertaken by the Local Area Partnership (as set out at Appendix 1 to the submitted report) and the outcome of the consultation, together with recommendations on the new proposed Locality Model for Higher Needs and Special Educational Needs and Disabilities (SEND) be presented to a future Cabinet meeting; and
2. that Cabinet notes that the Locality Model provides the opportunity to ensure that the MySpace Building at Parkfield is utilised to provide maximum benefit for children and young people in Torbay, through a vibrant and active use of the site at all times. That in this respect the Chief Executive be instructed to work with community and voluntary sector partners to develop a proposal to be presented to the Cabinet at a future meeting, taking into account the Local Model proposals.

Reason for the Decision

The proposed Locality Model would repair the current fragmentation within the education and SEND system to bring all stakeholders within communities together to bring about the required improvements for children, young people and their families.

Furthermore, the proposal for a Locality Model would enable better use of the expertise in the system by developing a way to allow families, colleagues in health, education and social care to work together.

By enabling the school and SEND system to develop into a community-based approach, Torbay would be reducing the need for families and their children to wait to receive a statutory Education Health and Care Plan or a medical diagnosis before any support or specialist provision could be offered. This would enable early intervention to be at the forefront of support for the young residents of Torbay which were maintained in their own local communities.

The Cabinet wishes to consult on the proposed Locality Model.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

In 2021, a joint inspection between Ofsted and the Care Quality Commission (CQC) found that Torbay's systems work in silos and do not promote collaboration easily. In addition, they found

that parents felt they had to 'fight' for support through an Education, Health and Care Plan and wait for a specialist assessment or diagnosis. Since 2021, a huge amount of improvement work had been happening across the local area, however the impact had been limited for parents and their children.

Following a full Needs Analysis and Review of the Special Educational Needs and/or Disabilities (SEND) provision within Torbay, alongside the increasing demand for specialist education support, it was proposed to consult on the implementation of a Locality Model across the area, in order to bring services together to support the children and young people of Torbay in their local community, reduce the requirement for an Education Health and Care Plan to receive support and therefore reduce the wait that families were experiencing in receiving the support that their children needed to thrive.

A Locality Model would see whole communities coming together to support the children within their local area. Torbay's SEND provision would become a needs-led approach, focusing on the needs of children and young people within each local area, and allowing local stakeholders to make decisions on how the children and young people's needs could best be met.

At the meeting, Councillor Bye proposed and Councillor Tyerman 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 options considered were:

Option 1: The current system and processes could remain the same within Torbay with no changes. This option comes with a number of disadvantages, mainly being that children and young people would continue to experience long waits for the support required, family's distrust in the education and SEND system would continue to grow and the pressures on the budgets would continue to increase. This would pose a high risk in any forthcoming Ofsted Inspection (expected towards the end of 2024) as the Local Authority was not taking action to address systemic failures blocking impact for children and young people with SEND.

Option 2: The proposed option which was a transformative change in supporting additional needs within Torbay. Such transformative change had been implemented in other Local Authorities who had been experiencing the same challenges, the model had brought positive changes to the experiences of the children, young people and their families. This model would also align with the Government's aspirations to enhance the inclusivity and provision within mainstream schools and to focus on children and young people receiving the right support, in the right place, at the right time in their own local communities.

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.

Published

23 August 2024

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

Date: 23 August 2024

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Record of Decisions

Recommissioning and Procurement of 16 plus Supported Accommodation Provision

Decision Taker

Cabinet on 20 August 2024

Decision

That the Director of Children's Services be given delegated authority, in consultation with the Cabinet Member for Children's Services, to award the contracts for 16 plus supported accommodation provision, following the successful completion of the procurement process.

Reason for the Decision

In preparation for the contract end date a thorough needs analysis and options appraisal was being finalised. This activity would inform future commissioning and procurement activity. This was an essential piece of work to ensure the provision commissioned meets the needs of Torbay's young people.

Furthermore, it allows the Council to test the market by undertaking an open market procurement where it was felt to be in the best interests of residents and the local authority to test for efficiencies, new models of delivery and innovative practice.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

Torbay Children's Services currently commissions a range of supported accommodation options for young people aged 16 – 25 who were cared for, care experienced or at risk of or experiencing homelessness. In 2020 commissioning and procurement activity successfully awarded block contracts (totalling 60 units across 3 Providers) alongside the development of a 16 plus supported accommodation framework. The framework includes 6 additional Providers from which individual placements can be purchased.

The block and framework contracts were awarded on a 3-year initial term with the option of a 2-year extension. These contracts commenced on 1 April 2021 and as of 1 April 2024 an 18-month extension was agreed. Following the initial stages of the needs analysis process, it had been agreed to utilise the additional 6 months extension period available within the current contracts. By using the full extension options, the current contracts would now end on 31 March 2026.

In preparation for the contract end date a thorough needs analysis and options appraisal was being finalised. This activity would inform future commissioning and procurement activity. This was an essential piece of work to ensure the provision commissioned meets the needs of Torbay's young people.

It also allowed the Authority to test the market by undertaking an open market procurement where it was felt to be in the best interests of residents and the local authority to test for efficiencies, new models of delivery and innovative practice.

At the meeting Councillor Bye proposed and Councillor Chris Lewis 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

Legislative requirements stipulate that the local authority undertakes a relevant procurement process to award contracts.

The decision to utilise the full contract extension period had been agreed to ensure time and resource could be allocated to fully explore all options in the scope of this re-commissioning activity. This would ensure any future provision commissioned meets the needs of Torbay's young people.

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

Published

23 August 2024

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

Date: 23 August 2024

Record of Decisions

Fostering Annual Report

Decision Taker

Cabinet on 20 August 2024

Decision

That the Cabinet endorses the Fostering Annual Report 2023-24 as set out in Appendix 1 to the submitted report and that it is published in accordance with Council's requirements.

Reason for the Decision

It is a statutory requirement established by the National Minimum Standards for Fostering for each Local Authority to produce and publish an Annual Report.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Fostering Annual Report set out Torbay's vision for the Fostering Service, its core principles, its key aims, main priorities and actions, the role of the Fostering Service and its various functions, the Fostering Service organisational structure, recruitment performance information, an outline of the fostering recruitment and marketing strategy and campaign, improvements in terms of foster carer support and retention, information relating to number of initial enquires received in the period of the 1 April 2023 to the 31 March 2024 and the next steps for the service.

At the meeting Councillor Bye 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

There were no alternative options considered.

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

Published

23 August 2024

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

Date: 23 August 2024

Record of Decisions

Local Authority Designated Officer (LADO) Annual Report 2023 - 2024

Decision Taker

Cabinet on 20 August 2024.

Decision

That the Cabinet endorses the Local Authority Designated Officer (LADO) Annual Report 2023-24 set out at Appendix 1 to the submitted report to be published in accordance with Council's requirements.

Reason for the Decision

Whilst there was not a statutory requirement for each Local Authority to produce and publish an Annual Report in respect of the work of the LADO, there was an expectation that one was completed to inform both the local authority and partner agencies of the number and nature of contacts over the period and to identify trends and learning from the data to inform any local action plans.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The LADO Annual Report provides an overview of allegations referred to the LADO regarding people in a position of trust working or volunteering with children in the Torbay locality.

It summarises the statutory role of the LADO and both the national and regional context of the role, the number of consultations and referrals, a breakdown of the types of allegations and the profile of the LADO's work from 1 April 2023 to 31 March 2024.

At the meeting Councillor Bye proposed and Councillor Jackie Thomas 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

None

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

Published

23 August 2024

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

Date: 23 August 2024

Record of Decisions

Independent Reviewing Service (IRO) Annual Report 2023 - 2024

Decision Taker

Cabinet on 20 August 2024

Decision

That the Independent Reviewing Service (IRO) Annual Report set out at Appendix 1 to the submitted report and the publication of this in accordance with the legislative requirements outlined in the report be endorsed.

Reason for the Decision

To ensure that the Council upholds its responsibility as Corporate Parents and complies with legislation.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The IRO Annual Report sets out an overview of the activity of the Independent Reviewing Officer Service, the staffing structure, developments within the service and the key improvement objectives for the service moving forward.

The Annual Report evaluates the effectiveness and impact of the Independent Reviewing Service; Independent Reviewing Officers play a key role in ensuring that care plans for children were progressed with a central focus on their needs, their ascertainable wishes and feelings and what intervention and support was required to help children achieve their goals.

At the meeting, Councillor Bye proposed and Councillor Billings 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 no alternative options considered.

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

Published

23 August 2024

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

Date: 23 August 2024

Record of Decisions

Establishment of Cabinet Working Parties and Council Local Plan Working Party

Decision Taker

Cabinet on 20 August 2024

Decision

1. That the following Cabinet Working Parties be established:

- **Cabinet Capital Projects Working Party**

Terms of Reference: To receive detailed briefings on capital projects, to ensure Members have up to date information on key capital projects and be aware of upcoming project milestones and future Council decisions related to the overall Programme and to allow officers to seek Members views (individual and collective) on certain project elements where options are available.

Membership: 3 Conservatives (to include the Cabinet Member for Finance (who will Chair the meetings)), 2 Liberal Democrats and 1 Independent.

- **Cabinet Oldway Working Party**

Terms of Reference: To review proposals for use of buildings and grounds and oversee delivery of works from allocated monies.

To ascertain community views in respect of these matters with relevant members from the local community and representatives from the business, public and voluntary sectors are to be invited to meetings when needed.

Membership: 3 Conservatives (to include the Cabinet Member for Place Development and Economic Growth, (who will Chair the meetings)), 2 Liberal Democrats and 1 Independent.

- **Cabinet Road Network and Travel Working Party**

Terms of Reference: To consider current and emerging road network and travel matters (encompassing all forms of transportation around the Bay and parking) and make recommendations to the appropriate decision maker.

Membership: 3 Conservative (to include the Cabinet Member for Pride in Place, Transport and Parking, (who will Chair the meetings)), 2 Liberal Democrats and 1 Independent.

2. That Cabinet recommends to Council:

That the Local Plan Working Party be established with the following Terms of Reference and Membership:

Terms of Reference: To assist Officers with the preparation of the revised draft Local Plan including the content, timing and scope of key consultation and submission documents in

accordance with the timetable as set by the Local Development Scheme (or similar document required by subsequent legislation); to make appropriate recommendations to Cabinet and Council; and to respond to issues that may arise during examination.

Membership: 3 Conservatives (to include the Cabinet Member for Place Development and Economic Growth (who will Chair the meetings)), 2 Liberal Democrats and 1 Independent.

This Working Party will be disbanded once it has completed its review of the revised Local Plan documents.

Reason for the Decision

The Working Parties will ensure that all political groups on the Council are represented and will also guide Officers in ensuring that there is good engagement with relevant interested parties and external representatives to ensure that the Council is:

- Putting our residents at the heart of everything we do;
- Making evidence based decisions;
- Making the most out of Council owned assets; and
- Working together.

Implementation

The decision in respect of 1. will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

The decision in respect of 2. will be considered at the Council meeting on 12 September 2024.

Information

The Council, its committees, the Leader of the Council, the Cabinet, Cabinet Committees and the Chief Executive may establish a working party or amend the terms of reference or membership of existing working parties. In establishing working parties, the appointing body or person will determine the precise terms of reference of the working party (having regard to the terms of reference of any other working parties), initial membership and (if appropriate) duration of the working party.

The Cabinet had identified the need to appoint three Cabinet Working Parties whose purpose will be to act as a consultee for the development of operational policies and working practices relating to their specific areas in accordance with their agreed Terms of Reference and make recommendations to the Cabinet/appropriate decision-maker. The Cabinet also made recommendations to establish a Council appointed Working Party to oversee the development of the draft Local Plan and made recommendations in that regard.

At the meeting, Councillor David Thomas proposed and Councillor Chris Lewis 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 alternative option would be to not appoint the Working Parties, this option was not recommended as it would lose the opportunity for wider engagement with cross party Councillors.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes to the decision in 1. above.

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

None

Published

23 August 2024

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

Date: 23 August 2024

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Meeting: Extraordinary Cabinet & Council

Date: 11 & 12 September 2024

Wards affected: All; and specifically Tormohun

Report Title: Implementation of the Accommodation Re-purposing Project (“Hotels to Homes”) and acquisition of Scheme 1.

When does the decision need to be implemented? 13 September 2024

Cabinet Member Contact Details: Cllr. Alan Tyerman – Cabinet Member for Housing and Finance, alan.tyerman@torbay.gov.uk.

Director Contact Details: Alan Denby – Director of Pride in Place, alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1. To approve an uplift to the Capital Programme of £3.000m, funded by external grant provided by MHCLG, to enable delivery of the first scheme.
- 1.2. To endorse the principle of Scheme 1, being the turnkey acquisition of 14 homes from a regional developer as outlined in Exempt Appendix 1.
- 1.3. To provide the necessary officer delegations to secure delivery of the first project, and to agree the principle of bringing a further report in due course to outline the mechanism for growing the pilot project into a long-term, sustainable delivery programme.
- 1.4. To provide a framework for the creation of the associated governance procedures necessary for the delivery of this programme.

2. Reason for Proposal and its benefits

- 2.1. In the early 2000s, the Torbay area regularly delivered an average of 100-180 new affordable homes per annum, reaching a peak in 2013/14 of 273 new affordable homes. Since then, delivery has dropped significantly; average annual delivery over the last 4 years has been just 36 homes (data extracted from [MHCLG Live Table 1008C](#)). This is against a backdrop of high (and growing) need for homes by local households registered with Devon Home Choice.
- 2.2. In light of this, the Council is focussed on increasing the affordable housing supply. A Housing Delivery Plan has been created to bring forward opportunities over the next five years, both for direct council delivery and delivery through partners. One of the direct interventions identified is the innovative Accommodation Re-purposing Project (ARP), also

now known as 'Hotels to Homes'. This is designed to respond to Torbay's characteristics of having large numbers of small urban brownfield sites in the form of unviable leisure and holiday accommodation such as former hotels, bed & breakfasts, and guest houses. Through this initiative, such properties will be purchased by the Council and converted into new homes.

- 2.3. The Council is not the only organisation exploring the re-use of such sites for housing. However, when brought forward by private sector developers, they typically provide few – if any – affordable homes. This is because such sites are normally capable of delivering fewer than 15 dwellings, which is below the Local Plan's threshold for requiring affordable housing. The schemes can also be expensive to build and, due to specific scheme risks, often mean that they are typically not viable to deliver affordable housing.
- 2.4. Conversely, the Council's intervention is specifically designed to use these same sites to deliver 100% affordable housing, to provide homes for local households. The project will utilise grant funding already provided, to directly acquire and convert old hotels etc. into new, high-quality housing for social rent. An increase in supply is a highly beneficial outcome, but the additional benefit is that it can help prevent such sites entering a state of dereliction, as well as helping to prevent anti-social behaviour, and avoiding the plethora of public health issues associated with such sites. The Council's ambition is to prove that the delivery model can be a viable vehicle to increase the level of affordable housing and stimulate neighbourhood renewal and regeneration. Long-term, there is also an aspiration to stimulate the private and Registered Provider sectors to move into this space by demonstrating the positive outcomes that can be achieved. With Torbay's average delivery currently so low, every hotel converted has potential to be disproportionately valuable: Scheme 1 would represent a 40% increase in affordable housing supply on its own.
- 2.5. The Council has bid for, and secured, £3m of capital grant to use for this purpose, alongside a revenue allocation of £0.250m. In accordance with the Council's constitution and governance procedures, it is necessary to:
 - a) Increase the size of the Capital Programme by £3.000m, funded by the grant received;
 - b) Formally commence delivery of the project, and secure the necessary delegations to acquire the scheme described in Exempt Appendix 1; and,
- 2.6. The aspiration is that through delivery of the scheme described in Exempt Appendix 1, that we will demonstrate success and bring forward a model which sees the creation of a cyclical, self-sustaining programme that enhances delivery, but minimises Council-borrowing. The mechanics of the longer-term model are still being worked through and it is not currently possible to present a long-term business case as there are still variables that need to be clarified. However, progress is both positive and rapid, and officers expect to be in a position to bring a proposal back to Cabinet and Council towards the end of the year. .
- 2.7. The reason for bringing the first scheme forward now, ahead of the wider, long-term programme is that the first opportunity identified, is predicated upon an exchange of

contracts by November 2024, which is before it will be possible to present the full programme.

3. Recommendation(s) / Proposed Decision

3.1. That Cabinet recommend to Council:

3.1.1. That the Capital Programme be uplifted by £3m, wholly funded by capital grant received from MHCLG, to commence delivery of the Accommodation Repurposing Project (also known as 'Hotels to Homes');

3.2. That subject to 3.1.1 above, Cabinet:

3.2.1. Approve the turnkey acquisition of Scheme 1 for use as social housing, in accordance with business case provided at Exempt Appendix 1 (and funded by the MHCLG grant award);

3.3. That subject to 3.1.1 and 3.2.1 above:

3.3.1. Delegation be provided to the Director of Pride in Place, in consultation with the Cabinet Member for Housing and Finance and Director of Finance, to agree final terms to purchase Scheme 1, and following satisfactory completion of all necessary due diligence, proceed to acquire the scheme as set out at Exempt Appendix 1.

3.3.2. The Head of Strategic Housing & Delivery present a report to Cabinet at the appropriate time, to outline and recommend the financial and delivery arrangements necessary to move from a single scheme to a long-term, (largely) self-sustaining programme utilising all grants and external funding available.

Appendices

- (Exempt) Appendix 1 – Housing Business Case
- (Exempt) Appendix 2 – Valuation
- (Exempt) Appendix 3 – Site risk register

Background Documents

- Torbay Housing Delivery Plan

4. Introduction

4.1. Torbay currently has very low levels of new housing supply. With the majority of affordable homes provided through s106 by private sector developers, issues that affect private sector development have a direct implication on the proportion of new affordable homes provided.

4.2. Many Registered Providers are scaling back their delivery programmes, with financial capacity further affected by the significant regulatory issues faced by the sector at present. The cumulative impact of these factors being house price increases; a decline in the quality of private rental stock (as there is little financial incentive to strive for best quality);

diminished supply; and ultimately, a reduced ability for the Council to provide housing options for those in need.

- 4.3. The Council is focussed on increasing the amount of affordable housing delivered in Torbay. This has started with the creation of a new Strategic Housing Service, recruitment of specialist resources to support delivery and the production of a Plan that outlines routes to enhanced performance. One of the delivery streams planned is the Hotels to Homes programme. This seeks to increase new social housing through the acquisition and conversion of former hotel-type buildings into new, high-quality homes. The Council has been awarded a capital grant of £3.000m to commence delivery of the first project (“Scheme 1”), with conditions to demonstrate substantial delivery progress by March 2025. Whilst the new homes created by this scheme will be let through Devon Home Choice to eligible households with a local connection to Torbay, there is an intention to make these sites attractive to households where at least one adult works in a key industry (what has historically been called “keyworkers”). This is to seek to specially address the chronic recruitment issues faced by parts of the public sector such as the NHS, where a lack of good quality housing that is affordable is having a direct impact on recruitment and retention, creating a major implication for the health service and ultimately the health outcomes of Torbay residents. Providing homes for local workers is essential to ensure the long-term sustainability and health of our population.
- 4.4. The anticipated long-term proposal is to develop a self-sustaining, cyclical investment fund that is capable of using the initial grant funding to purchase and redevelop sites, occupy as affordable housing in the medium-term, and then facilitate an onward disposal to a partner Registered Provider (once a portfolio of homes has been completed), generating a capital receipt for reinvestment into the next project ad infinitum.
- 4.5. The long-term proposal may require an allocation of Council capital; but there are also additional grants that officers expect to be able to secure to provide further financial headroom and limit the need for council-borrowing. However, the longer-term model is still being worked up and cannot be confirmed until we have greater clarity about the extent of further grant allocations; as such the proposal in this paper is to accept the £3m grant into the capital programme and to seek authority to proceed with Scheme 1, with the longer-term programme to be considered at a later date.
- 4.6. The deadline set by MHCLG for implementation and use of the initial grant award is very tight. The grant was not confirmed until the start of May 2024; but we are obligated to achieve substantial progress by March 2025. It has not been possible to identify a development opportunity in the traditional way; instead, the proposal has been worked up to partner with a private sector developer for the first project via a turnkey acquisition. Such acquisitions are the commercial purchase of an entire, complete scheme from the developer, based upon a purchase at market value (less discount to reflect the developer’s reduced risk).
- 4.7. The limitation of this approach is that the Council is only able to purchase what is commercially available. This means we cannot specify the detailed fit out of the homes as it must remain an ‘off the shelf’ acquisition (i.e. similar to a private purchaser buying a home on the market). However, the considerable benefit is that this is an efficient way to deliver new homes quickly and such purchases are a well-trodden path for both Registered

Providers and Local Authorities. Furthermore, they open-up an opportunity to work with a wider part of the market and offer a low risk profile as the Council will not take ownership the property until completion, with 'stakeholder' deposit payments held until completion is achieved and certified.

- 4.8. In this instance, officers have identified an opportunity to purchase homes from a respected local developer that has a positive track record in respect of their delivery performance, and who has already agreed terms to purchase a former hotel for residential conversion in Torquay. The commercial details of the acquisition, along with the financial performance of the project is outlined in Exempt Appendix 1. The subject property is at an advanced stage of acquisition and has an existing consent. The developer will need to obtain a variation to the planning consent to allow full, unfettered residential use (and ownership); but as a turnkey acquisition, the Council's completion of purchase will be conditional upon the developer resolving this at their risk and cost.
- 4.9. The scheme will provide 14 homes with a range of 1-bedroom flats (with larger and smaller properties suitable for couples and single people respectively), along with 2-bedroom flats that are suited to small families. All homes will be built to modern standards, meeting at least EPC C, with low carbon heating. Some will also include sea views, making the scheme an attractive social housing scheme for working-age people.
- 4.10. The developer expects to exchange contracts for their purchase in September, taking full ownership once vacant possession has been achieved. They will commence construction once full ownership has been achieved and address the necessary planning variation. Officers are currently targeting exchange of contracts in early November, assuming satisfactory completion of all due diligence, by which time main works should be underway. Based on the developer's anticipated completion programme, it is expected that the Council would complete its purchase at the end of August 2025. Occupation will take place immediately thereafter. As outlined above, officers hope to encourage local "keyworkers" to bid for such properties when they come available; but it should be noted that we cannot specifically restrict allocations to this cohort, as this would be a conflict with current Homes England grant funding criteria (which is an essential consideration, in respect of being able to convert the pilot project into a long-term programme). However, we will work with local key employment industries to encourage applications from eligible local workers on the housing register, where we can.
- 4.11. As a turnkey project, the developer will be wholly responsible for the design and build of the scheme, with the Council only taking ownership (and paying the agreed full price) at completion. We will, however, be legally bound to proceed with the acquisition once we have exchanged – in the same way as any normal house-purchaser would be as long as the homes are completed to the agreed standard and signed off by building control etc. This arrangement ensures both parties have the necessary protections and surety of delivery and payment.
- 4.12. As a turnkey acquisition, the Council is only able to purchase what is commercially available. In this instance, it is within the proposals to include an additional sum for the installation of a fire suppression system (to BS9251:2021), to improve the long-term safety of our tenants in the event of a fire in one of the flats, or any of the communal spaces. This is becoming a more common approach in multi-blocks by social landlords.

5. Options under consideration

- 5.1. The Council is now at the stage where it must add the £3m grant into its capital plan.
- 5.2. In respect of the first scheme's delivery, **Option 1** is to acquire the scheme as set out in Exempt Appendix 1 on a turnkey basis with stakeholder deposit and completion payment in the normal way. This is a relatively low risk way to deliver new homes and will ensure that the Council's investment is protected throughout the build as completion funds will only be released once assurance has been provided that the scheme has been completed appropriately and the contract terms met. Turnkey purchases are a common route for social housing providers to deliver homes; success relies upon the strength and transparency of the relationship created. In this instance, we have identified an amenable developer, and we are developing a co-operative working relationship to maximise chances of a successful outcome. A further grant bid will be made to Homes England in due course; however, in the event that a bid is not supported (for any reason), the acquisition will proceed but will just be funded solely by the allocation of MHCLG funding.
- 5.3. The proposed acquisition received unanimous support from the Council's Capital & Growth Board in August 2024. Furthermore, the acquisition is supported by a Red Book Valuation provided by a local RICS registered agency, attached at Exempt Appendix 2. The Council has secured the principle of a discount against open market value, in line with industry norms for this type of project.
- 5.4. **Option 2** would be to withdraw from the current opportunity and attempt to identify a hotel ourselves that already has a suitable planning consent, and to directly commission construction by March 2025. However, this would require us to take a considerable degree of commercial risk in respect of both commissioning construction of an inherited design and planning consent. The expectation is that this would also cost more than an equivalent turnkey option and would significantly delay delivery; whilst it is hoped that a degree of flexibility could be negotiated with MHCLG, this would put us in direct conflict with our grant award terms. This is a potential option but is not considered as advantageous as a turnkey acquisition for the first project.
- 5.5. **Option 3** would be to hand back the grant and decline to proceed any further. This would be detrimental to our relationship with MHCLG (and the new government). This may also cause wider implications for other Council delivery programmes and funding streams, too. Ultimately and very importantly, this would also mean that the additional affordable housing supply we urgently need, would not materialise.
- 5.6. For the reasons outlined above, combined with the simplicity of the deal structure proposed, the recommendation is to proceed with **Option 1**, to purchase the first site on a turnkey basis, as outlined in Exempt Appendix 1. In the long-term, subject to appropriate decision making, this would be followed by further sites upon which a decision would be made as to whether we commission ourselves.

6. Financial Opportunities and Implications

- 6.1. This proposal seeks to increase Torbay Council's capital programme by £3m. In this instance however, this is 100% funded by external grant that has already been received. There are not considered to be any financial implications associated with increasing the capital programme in this way.
- 6.2. In respect of the scheme, a detailed business case has been presented to Capital & Growth Board, who provided unanimous endorsement for the project. A comprehensive financial appraisal was also presented, which was scrutinised by the S151 Officer, Director of Pride in Place, and other senior officers within the Council. This is attached at Exempt Appendix 1. Feedback was positive and the financial position of the scheme was endorsed.
- 6.3. The financial benefits and disbenefits of the acquisition are considered below:
- 6.4. Advantages:
- 6.4.1. As funded by the MHCLG grant, the acquisition will not require council borrowing. As such, there will be no net impact to tax payers, or our overall borrowing headroom position.
- 6.4.2. The acquisition makes good use of the grant funding, for its intended purpose and in accordance with our obligations.
- 6.4.3. MHCLG representatives have endorsed the proposal as set out.
- 6.4.4. The project generates rental income as described in Exempt Appendix 1, which can be used to fund other affordable housing projects, or future borrowing.
- 6.4.5. An allocation is made from the gross rental income to pay for costs associated with management, maintenance, long-term refurbishment and to cover void risk etc. Service charges will also be levied on top of the gross rent to cover aspects such as communal maintenance/management and fire suppression servicing etc.
- 6.4.6. The scheme has potential to secure additional Homes England grant (subject to assessment and approval) once the government have confirmed the nature of the next Affordable Homes Programme. This will be essential for the conversion of the pilot scheme into a long-term self-funding model. However, the acquisition will proceed regardless of whether the additional grant can be secured.
- 6.4.7. Conversion of this hotel to additional homes generates additional Council Tax income for the Authority.
- 6.4.8. In the event of any major structural defect arising within the first 10 years of completion, the Council's investment will be protected by a Build Zone Warranty.
- 6.5. Disadvantages:
- 6.5.1. The Council will be taking the commercial risk of an acquisition. This will include committing to the purchase of the asset, and operation of the homes upon completion (including committing to mandatory compliance standards to ensure homes are safe in perpetuity). In this instance however, the purchase is not

predicated upon borrowing; we have an in-house management team with capacity to operate the stock, and the business case includes allocations from the rental income to fund the repairs and maintenance of the properties in the long-term.

- 6.5.2. The Council will be required to provide a comprehensive management service to its tenants, in line with the standards set by the Regulator for Social Housing, and ensure it provides homes that are safe and compliant at all times.
- 6.5.3. The Council has an aspiration to enable a medium-term sale of any housing stock it purchases to a partner Registered Provider. It is possible that the Council may not be able to find a partner that is able to commercially acquire stock from us, in the future. In this circumstance, the Council will need to retain (and manage) its housing stock indefinitely.
- 6.5.4. If officers are unable to secure additional funding (including grant) to convert the pilot into a long-term self-financed model, the Council will be in ownership of a single scheme of this type, which would be inefficient in terms of management.
- 6.5.5. It is theoretically possible that the Council cannot identify suitable households to live in the new homes. However, this is unlikely, considering the extend of housing need on Devon HomeChoice with a local connection.

7. Legal Implications

- 7.1. The Council will be entering into a legal contract to purchase an asset from a developer. External lawyers 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. However, once we have exchanged contracts, the Council will not be able to withdraw from the purchase without considerable penalty.
- 7.2. It is important that the Council (as buyer) and the developer (as seller) are clear on their respective obligations, and that a good, positive, and co-operative relationship is developed to ensure successful delivery. As a turnkey acquisition, the purchase terms have been agreed in the form of a traditional conveyance with a deposit and completion payment, and arrangements for a retention period to ensure defects are rectified within the first 12 months.

8. Engagement and Consultation

- 8.1. In this instance, the principle of conversion has already been set through the planning consent already granted. As part of the normal planning process, nearby residents and neighbours will have been given chance to comment on proposals; similarly, affected local people will have the normal right to comment on the revision to the planning consent to allow unrestricted residential use, which will be submitted by the developer in due course.
- 8.2. The Senior Responsible Officer (SRO) has engaged extensively with the Portfolio Holder for Housing and Finance, who is supportive of the proposal. Cabinet are also aware of the

scheme through information sharing sessions, and through the development of the Housing Delivery Plan.

- 8.3. The SRO will provide a briefing to the elected members that represent the ward, prior to the cabinet meeting.
- 8.4. The SRO has engaged with senior council officers through the Capital & Growth Board process and has received unanimous support.
- 8.5. The SRO has liaised with the Council's in-house housing management team, who have confirmed support for the scheme. These officers will be a fundamental part of the project team for the site, going forward.
- 8.6. The SRO will liaise with the Housing Options service ahead of Cabinet.
- 8.7. The SRO has engaged with both Homes England in developing this proposal. Homes England are broadly supportive but cannot confirm a scheme is grant eligible until a bid has been submitted. It should also be noted that new bids have been suspended nationally at present, pending consideration and definition of the next capital Affordable Homes Programme by the new Secretary of State and Chancellor. It is possible that the emphasis and eligibility for such bids to the next programme may be different to the newly suspended programme; as such, it should be explicitly noted that the acquisition will proceed regardless of whether Homes England grant can be secured.
- 8.8. MHCLG have provided written endorsement of the proposal.
- 8.9. The SRO has liaised with Planning colleagues to ensure no fundamental conflict between the scheme proposed and established planning policy.
- 8.10. The SRO is in the process of liaising with the accommodation lead for the NHS; to establish opportunities for local healthcare workers in need of homes to secure one of the new properties, should they meet the relevant eligibility terms for social housing.

9. Procurement Implications

- 9.1. The acquisition of built homes falls outside of the Contract Procedures Rules; such transactions do not constitute a procurement.
- 9.2. The Council is commissioning the installation of a fire suppression system. In the circumstances, the only reasonable way to secure this is to work with the developer to ensure that the structural warranty is preserved, and to prevent having to separately commission an installer to make major alternations to the building, post-completion (delaying occupation, and impacting upon the quality of accommodation provided).
- 9.3. The Council has appointed an external commercial advisor to support this project, and the scheme has been sourced through this route. The Council's Head of Commercial Services has supported this procurement exercise.
- 9.4. The Council has appointed external legal representation for the conveyance, through the Council's Legal Service. In this instance, previously expert social housing specialists have

been procured to provide the conveyance support, to ensure no future issues in the event that the Council is able to sell batches of stock to a partner RP at some point in the future.

9.5. A clerk of works will need to be appointed in due course.

10. Protecting our naturally inspiring Bay and tackling Climate Change

10.1. The acquisition of a turnkey product, on brownfield land helps prevent greenfield sites being required to deliver housing growth. It also helps make better use of land, and in this instance (as the main structure is being retained) prevents the demolition of an architecturally impressive building, and therefore prevents the disposal to landfill of many tonnes of perfectly usable construction materials.

10.2. The new homes will be heated by electricity only, meaning that fossil fuels will not be required to provide space or water heating.

11. Associated Risks

11.1. There are risks associated with any commercial activity. The risk profile for Scheme 1 is attached at Exempt Appendix 3.

12. Equality Impact Assessment

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 activities
<p>Age</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 37</p>	<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>	<p>Due to the client group to be targeted, this project is likely to provide a benefit to younger households.</p> <p>The flats would be let to occupants who are suitable to sustain a tenancy in the property. Considerations would be paid to accessibility requirements, support needs and suitability of location.</p>	<p>The project is aimed at local people working in key industries and it is therefore reasonable to anticipate that older people are less likely to secure a home in these schemes.</p> <p>Older households will not be excluded, however, through the lettings process if they are otherwise the most suitable candidates to secure one of the homes provided.</p>	<p>Lettings and Housing Management</p>
<p>Carers</p>	<p>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.</p>	<p>Lettings would not discriminate against the caring responsibilities of future tenants</p>		<p>Housing Management and Lettings</p>
<p>Disability</p>	<p>In the 2021 Census, 23.8% of Torbay residents answered</p>	<p>Due to the nature of converting existing buildings, it will not</p>	<p>Consider accessibility and mental health needs in designs of conversions</p>	<p>Strategic Housing</p>

	that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	always be possible to create flats that are suitable for occupants with a physical disability. Any support needs would be assessed at the time of letting the flats		
Gender reassignment	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.	We would not discriminate against gender on general needs rented properties unless there was a specific requirement to have same sex accommodation, for example in the case of a women's refuge.	N/A	ALL
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 flats. No adverse impact expected.	NA	ALL
Pregnancy and maternity	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	Only flats with 2 or more bedrooms would be considered suitable for families.	NA	Lettings and Housing Management

	live births since the middle of the last decade across all geographical areas.			
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 expected as we would not discriminate on the lettings of flats based on ethnicity	NA	Lettings and Housing Management
Religion and belief	64.8% of Torbay residents stated that they have a religion in the 2021 census.	No adverse impact expected as religion would not be a consideration in the lettings process	NA	Lettings and Housing Management
Sex	51.3% of Torbay's population are female and 48.7% are male	No adverse impact expected as general needs lettings does not discriminate on gender	NA	Lettings and Housing Management
Sexual orientation	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.	No adverse impact expected as sexual orientation is not discriminated against	NA	Lettings and 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	Lettings and Housing Management
Additional considerations				
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	NA	NA
Public Health impacts (Including impacts on the general health of the population of Torbay)		By providing suitable, safe, and warm affordable housing we can lower public health impacts and improve the health of occupants. Removing dilapidated hotels from the market, and preventing them being converted into poor quality HMO-style housing has a positive public health benefit in terms of living conditions, and the impact on local services and infrastructure etc.	NA	NA

Human Rights impacts		No negative impact expected	NA	NA
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 expected as the flats will not discriminate against children. Only flats that have more than one bedroom will be suitable for children	NA	Lettings and Housing Management

13. Cumulative Council Impact

- 13.1. An increase to the Council's portfolio of social housing, which requires ongoing management etc. However, this is fully accounted for in the financial case for the project and programme, with suitable allowances made to ensure the long-term, appropriate management and maintenance of our housing stock.

14. Cumulative Community Impacts

- 14.1. An increase in the provision of affordable housing, accessible to local people, providing a considerable benefit.
- 14.2. Improvement in recruitment and retention opportunities for key public services, through the prioritisation of relevant key worker households for occupation of new homes.

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Meeting: Extraordinary Cabinet/Council

Date: 11 and 12 September 2024

Wards affected: Churston with Galmpton

Report Title: Levelling Up Fund Round 3 – Torbay Technology Park

When does the decision need to be implemented? Immediately

Cabinet Member Contact Details: Cllr Chris Lewis, Cabinet Member for Place Development and Economic Growth; chris.lewis@torbay.gov.uk

Director Contact Details: Alan Denby, Director of Pride in Place; alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 In November 2023, the government announced Levelling Up Fund round 3 (LUF3). Unlike previous rounds, this is an allocation-based process with funding being offered to places with high quality bids from Levelling Up Fund round 2 (LUF2). Torbay is one of 55 places chosen.
- 1.2 Torbay's submission was to develop the Torbay Technology Park (Torbay Tech Park), on Torbay Business Park, and a Port Infrastructure Project on Oxen Cove. Torbay has been granted up to £20M of LUF3 to deliver the Tech Park and Brixham Port Infrastructure Project.
- 1.3 A key element of delivering the Torbay Tech Park is the purchase of the site, which this report is seeking authorisation to do. Authorisation of the same will mean that we comply with the spend profile for the grant that has been agreed with government (See Exempt appendix 1) and will avoid any risk of triggering a review.
- 1.4 The acquisition of employment land needed to develop and accelerate the Torbay Tech Park project is a specific milestone under Action E4.1 in Torbay Council's Business Plan 2024/27. The location of the Torbay Tech Park is important. The chosen site's proximity to EPIC and South Devon's College's HI Tech Digital Centre will create something akin to an Innovation Zone, improving collaboration between both the businesses and the College, driving investment and funding leading to growth and more jobs.
- 1.5 The project reported to the Council's Capital and Growth Board on the milestones required for delivery and it is recognised that there has been some slippage, however with the

project board reviewing the programme and with the acquisition proceeding, this will reduce the risk of slippage as much as possible.

- 1.6 Officers have been in discussions with the landowner to acquire the site. While the parties have not yet agreed a price an instruction is now needed to complete the negotiations.

2. Reason for Proposal and its benefits

- 2.1 The proposal in this report helps us to deliver our vision of a healthy, happy and prosperous Torbay by supporting economic growth, specifically through supporting the growth of a key sector that can transform Torbay's economy. The proposal is also a specific milestone under action E4.1 in Torbay Council's Business Plan 2024/27 with a delivery deadline of June 2024.
- 2.2 Torbay's Economic Growth Strategy has a focus on creating high value jobs through the growth of key sectors. Through the Torbay Tech Park project, we will attract, retain and grow our economic specialisms creating 100 FTE Jobs and 22,000 sq ft of new employment space; furthermore, the remainder of the site will enable the future development of circa 40,000 sq ft of additional business space creating a further 182 high value jobs. These projects support delivery of not only the Economic Growth Strategy but the Community and Corporate Plan and the Business Plan.
- 2.3 Torbay has secured up to £20M of LUF3 funding that will contribute towards the cost of developing the Torbay Tech Park, including the acquisition of the site.
- 2.4 EPIC is full and the hi-tech businesses within continue to grow. A number of these businesses are planning to move from EPIC into the Torbay Tech Park, continuing their growth in Torbay, creating more high value, high paid jobs. This is in addition to enquiries being managed through promotional activity such as attending key national and international events, that are driving inward investment enquiries.

3. Recommendation(s) / Proposed Decision

- 3.1 That Cabinet recommend to Council;
 - 3.1.1. That the Director of Finance, in consultation with the Director of Pride in Place and Cabinet Member for Place Development and Economic Growth, be given delegated authority to vary the Capital Plan upon confirmation of the final acquisition price of Torbay Tech Park, which is to be funded from Levelling Up Fund grant, be approved.
- 3.2 That Cabinet be recommended:
 - 3.2.1 That, subject to 3.1.1 above delegated authority be given to the Director of Pride in Place, in consultation with the Cabinet Member for Place Development and Economic Growth and Director of Finance, to agree and finalise the detailed acquisition terms as set out in option 2 to purchase circa 6 acres of employment land on Torbay Business Park, to progress the development of the Torbay Tech Park, subject to the final purchase price being evidenced

against an independent valuation for the site and not exceeding the grant funding allocation for acquisition.

Appendices

Exempt Appendix 1: LUF3 spend profile agreed with government

Supporting Information

1. Introduction

- 1.1 In November 2023, the government announced LUF 3. Unlike other rounds of LUF, this was awarded on an allocation basis, from unsuccessful applications from its previous rounds. Torbay was allocated £20M to deliver the Tech Park and Brixham Port Infrastructure Project. This money is to be spent by March 2026.
- 1.2 The Tech Park project will include the acquisition of circa 6 acres of employment land at Torbay Business Park, enabling the creation of 22,000 sq ft of new business accommodation initially. This will support the growth of local hi tech companies based in EPIC, creating a further 100 high value jobs. This site allows for future expansion, enabling an additional 40,000 sq ft of business accommodation to be built in the future creating an additional 182 new high value jobs, to further support local growth or inward investment.
- 1.3 Acquiring the site for the Tech Park is critical. The cost of acquisition has been budgeted for and is now a key next step in developing the Tech Park. Once the employment site is acquired, work packages can be accelerated bringing the project milestones more in line with what was set out and agreed with government.
- 1.4 The Hi Tech sector is strategically important to Torbay. Centred around EPIC, it is a fast-growing sector that has the potential to transform Torbay's economy. The sector creates high value jobs; some of our businesses are tackling global challenges; and their values align to those of our young people. Not only can this sector create well paid jobs and careers, it can help encourage our young people to continue to work and live in the Bay. Growth of this sector also helps to diversify Torbay's economic base, which is reliant on relatively low paid sectors such as tourism and health and social care, building Torbay's resilience.
- 1.5 EPIC is full and has achieved this ahead of schedule. Three tenants have already registered an interest in the Tech Park, as their growth plan extends beyond that which can be offered in EPIC. This would also free up space in EPIC for new and growing tech based businesses. Separately, and at an early stage, Torbay & South Devon NHS Trust is in discussions with NHS England to develop a Digital Centre of Excellence and would consider locating on this site, as they recognise the benefits of being part of this cluster.
- 1.6 Torbay Hi Tech Cluster, a group of over 30 hi tech businesses, often cite the Tech Park as the number one priority for the sector as this will support future growth and raise the profile of the cluster. The sustained growth of this sector requires acquisition of site to build the Tech Park.
- 1.7 Torbay has supported this sector for many years – Torbay has secured investment into the development of EPIC; funding has been secured to develop co-designed qualifications from level 3 to 6; and has prioritised the Tech Park as a project for LUF. With the Council's

support, the sector is flourishing, increasing the number of highly productive businesses and the number of high value jobs. As a result of this growth, these businesses need space to grow into now and in the future.

2. Options under consideration

2.1 Option 1: Do Nothing

This option will result in further delays and could jeopardise the project. In exchange for the LUF3 funding, a spending profile has been agreed. Delays will not only result in failure to spend against profile, it will put the project further back, which would likely result in a future deep dive from government. It also means that the Council will not be able to deliver a key milestone set out in the Business Plan 2024/27, as well as all the possible outcomes set out in section 8.

2.2 Option 2: Deliver the scheme as submitted to Government in March 2024. This option is affordable based on the LUF3 grant offered. It provides grow on space for the sector, supports the attraction of inward investment and reassurance to locally based businesses as to Torbay's commitment to the sector.

2.3 Option 3: Deliver the site in full

This option would be optimal for demonstrating to the sector locally, nationally and internationally that there is a pipeline of space available. However, it is cost prohibitive as further funding is required to deliver the additional 40,000 sq. ft of business space.

3. Financial Opportunities and Implications

3.1 All of the cost for site acquisition will be reclaimed from LUF3. The acquisition will be supported with an independent valuation for the site with any subsequent deviation from such valuation being clearly evidenced and documented.

3.2 The initial 22,000 sq ft of business space will yield approximately £13,000 per annum of business rates. Once the site is developed in full, this will equate to approximately £35,500 per annum of business rates.

3.3 From a financial perspective, if the Tech Park isn't developed, given the limited supply of suitable employment land in Torbay, coupled with the current demand for employment space, selling on the land should not be difficult.

4. Legal Implications

- 4.1 Legal support will be required to complete the acquisition. A recent independent evaluation into the cost of the site valued the site less than the value the landowner is currently seeking. More detail is available in the further information section contained in Exempt appendix 2.

5. Engagement and Consultation

- 5.1 Engagement on both these projects have taken place during LUF1, LUF2 and again for LUF3.
- 5.2 EPIC tenants have been consulted as part of the validation process, and this has and will inform the scope of the design. Lessons learned from EPIC have also been considered.
- 5.3 Torbay Council Officers have already had conversations with the landowner, who is willing to sell the site although the final price has yet to be agreed.

6. Procurement Implications

- 6.1 In relation to the site acquisition, this is not applicable

7. Protecting our naturally inspiring Bay and tackling Climate Change

- 7.1 Acquiring the site enables Torbay Council to control the development.
- 7.2 The project has the potential to negatively impact on our environment and increase Torbay's carbon emissions, making it harder for the Council and wider Torbay to protect our naturally inspiring Bay and meet our commitments in the Council's Community and Corporate Plan and the Council's Environment and Carbon Neutral Policy.
- 7.3 The project will increase carbon emissions throughout the construction and operation stages unless actions can be taken to reduce these impacts.
- 7.4 The Climate Change Impact Assessment Tool will be completed to ensure consideration is given to reducing impact. Through the early design phases of both projects, we will thoroughly investigate and develop a sustainability strategy considering reducing carbon in the construction and operational phases.

8. Associated Risks

- 8.1 Not agreeing to purchase the land on Torbay Business Park may make the Tech Park project undeliverable. An alternative site could be identified however this would likely need to be costed, the business case reworked adding further delay to the project and would likely require a Project Change Request from government given the change in postcode.

8.2 EPIC is full. There is no growth accommodation suitable for EPIC tenants looking to expand out of the Centre until the Tech Park is built which means investment enquiries cannot be accommodated.

8.3 Further slippage to the project may result in a 'deep dive' from government.

9. Equality Impact Assessment

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 activities
Age	<p>18 per cent of Torbay residents are under 18 years old.</p> <p>55 per cent of Torbay residents are aged between 18 to 64 years old.</p> <p>27 per cent of Torbay residents are aged 65 and older.</p>	The nature of this project mean that the target audience will be the working age population of 18-67.	n/a	
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.	The nature of this project mean that the target audience will be the working age population of 18-67.	n/a	
Disability	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.	No differential impact	n/a	
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community	No differential impact	n/a	

	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.			
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.	No differential impact	n/a	
Pregnancy and maternity	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 geographical areas.	No differential impact	n/a	
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 differential impact	n/a	

Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	No differential impact	n/a	
Sex	51.3% of Torbay's population are female and 48.7% are male	No differential impact	n/a	
Sexual orientation	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.	No differential impact	n/a	
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 serviced in the UK armed forces.	No differential impact	n/a	
Additional considerations				
Socio-economic impacts (Including impacts on child poverty and deprivation)		This project aims to create high value jobs in Torbay which could have a positive impact on child poverty and deprivation.	n/a	
Public Health impacts (Including impacts on the general health of		There is a correlation between economy and health. Through creating better	n/a	

the population of Torbay)		economic conditions, this will lead to improved health outcomes.		
Human Rights impacts		No differential impact	n/a	
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 differential impact	n/a	

10. Cumulative Council Impact

10.1 None.

11. Cumulative Community Impacts

11.1 None.

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