

Meeting: Cabinet

Date: 18 February 2025

Wards affected: St. Marychurch and All Wards in Torbay

Report Title: Acquisition of land to deliver Scheme 2 of the Accommodation Repurposing Programme (“Hotels to Homes”).

When does the decision need to be implemented? 14 March 2025

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1. Purpose of Report

- 1.1. To allocate funding, due to be approved by the Council as part of the 2025/26 budget setting process on 27 February 2025, to provide match funding to secure an allocated grant from the Devon and Torbay Devolution Deal, and the capital uplift secured from Second Homes Council Tax funding, to extend and increase the scale of our innovative “Hotels to Homes” programme.
- 1.2. To consider and approve the acquisition of Scheme 2 of the Hotels to Homes Programme as outlined in this paper, taking account of the associated risk and funding conditions.
- 1.3. To provide the necessary officer delegations to secure the site, demolish it and prepare it for affordable housing delivery.
- 1.4. To endorse the proposed governance methodology, with this paper representing a ‘First Stage’ business case that seeks approval for the acquisition and pre-development funding, with a ‘Second Stage’ Business Case coming back to Cabinet in the future to quest and allocate the necessary funds for capital delivery.
- 1.5. To note that due to a delay by government on the announcement of the next Homes England Affordable Homes Programme the report requested at the September 2024 Cabinet meeting in respect of a proposal to make Hotels to Homes into a long-term self-sustaining programme, must be delayed until after the 2025 Comprehensive Spending Review (or point at which officers have sufficient confidence on an applicable route to grant funding, to support delivery of the programme).

2. Reason for Proposal and its benefits

- 2.1. This paper sets out a proposal to acquire “Scheme 2” of the Hotels to Homes programme, building upon the scheme presented for approval to the September 2024 Cabinet meeting at the former Brampton Court Hotel in Torquay. The Council has now entered into contract to acquire this, subject to the revised planning consent being issued in March 2025, which

will deliver 14-much needed homes for social rent. In this instance, officers have identified a suitable redundant hotel with an existing planning consent, that we can acquire by the end of March 2025, as required to meet the objectives of the Devolution Deal grant. In contrast to the turnkey deal at Brampton Court, Scheme 2 will see the Council directly build out a scheme ourselves, to meet our specification and to address the local need.

- 2.2. We are uniquely placed to deliver this programme: an increase in supply is a highly beneficial outcome, but the additional benefit is that it can help stop such sites entering a state of dereliction, as well as reducing the likelihood of long-term anti-social behaviour.
- 2.3. Officers have previously outlined the ambition to prove that Hotels to Homes can be a viable way to increase the supply of affordable housing in Torbay. This remains the programme's core objective. However, in light of the additional focus now being given to accelerated and increased housing supply by the new government, there is also an additional ambition; to prove that such schemes can increase housing delivery overall; and that these small brownfield sites can play an increasingly important role in meeting an enhanced Local Plan housing delivery target.
- 2.4. The Council has so far secured £3.000m of capital grant to 'seed fund' the first scheme at Brampton Court. A revenue allocation of £0.250m has also been secured. Through the Devon and Torbay Devolution Deal, the Council has now secured an additional indicative allocation of a further £2m of capital grant, subject to the following conditions:
 - That the next site will be purchased by the end of March 2025 (with associated spend on works and fees);
 - Committing to deliver the acquired site for social housing, to meet the objective of the Hotels to Homes programme;
 - Demonstrating spend of at least £2m overall on related social housing activities by the end of March 2025; and,
 - Torbay Council committing the match-funding of £1.000m of capital.
- 2.5. With the above in mind, it is necessary to bring this paper to Cabinet for approval to:
 - a) Secure the delegations to acquire the scheme, commission demolition and undertake the next stage of design works (as described in Exempt Appendix 1); and,
 - b) Outline the process that will follow for the redesign and progression towards a full business case (taking account of the funding criteria and timescales set by MHCLG).
- 2.6. It is worth noting the complexities associated with the Devolution Deal grant, to help understand the delivery model we need to deploy in this instance. Despite bids being submitted to in Spring 2024, the grant (and therefore the project) was not confirmed to the Council until late Autumn 2024; however, to effect drawdown, we are obliged to deliver the required outputs by March 2025. It is not possible to achieve the acquisition, demolition and construction of a site within such a short window; however, MHCLG (and as a result, the CCA) have so far declined to offer more realistic timescales.
- 2.7. Officers have therefore had to consider the options this presents: 1) take the grant terms at face value and, due to the impossibility of achieving the full original outcomes in the considerably reduced timescale, decline the grant allocation and pause any further work; or,

2) find a creative way to achieve the objectives, whilst substituting related spend into the programme, but making the necessary internal accounting provisions to provide an equivalent amount of capital back to secure and fund the original proposal.

- 2.8. Officers strongly believe that it is in the public's best interest to use all reasonable endeavours to secure the grant funding for the people of Torbay; both to provide the originally stated project benefits from delivering additional social housing for local people, but also to avoid reputational damage and likely impact the Council's ability to secure future funds from the CCA going forward. This paper therefore sets out the recommended approach to achieving Option 2 as set out in para 2.7, above.

3. Recommendation(s) / Proposed Decision

- 3.1. That subject to the Council approving the Revenue Budget and Capital Programme on 27 February 2025, which includes an allocation of £1.000m to affordable housing, the Cabinet:
1. Approve the inclusion of 'Scheme 2' within the Hotels to Homes Programme and allocate a 'First Stage' budget of £1.500m (to fund the acquisition, fees and on-costs, demolition & clearance, and redesign of the site), funded from Devolution Deal grant;
 2. Delegate authority to the Director of Finance, in consultation with the Director of Pride in Place and Cabinet Member for Housing and Finance, to agree suitable terms to acquire Scheme 2, for a price not exceeding the value stated in Exempt Appendices 1 and 3 (subject to the satisfactory completion of all necessary due diligence);
 3. Instruct the Head of Strategic Housing & Delivery to appoint:
 - 3.2. a demolition contractor (along with any associated technical surveys, reports and required project management etc.) to clear the site and prepare it for newbuild construction, in consultation with the Head of Commercial Services; and,
 - 3.3. a design and project management team to redesign the site for the optimum form of affordable housing, in consultation with the Head of Commercial Services;
 4. That a 'Second Stage' cost plan to request the necessary capital uplift to construct a scheme (taking account of grant conditions, scheme viability and planning considerations at that time) be presented to a future meeting of the Cabinet.
 5. That Cabinet note due to a delay by central government on the announcement of the next Homes England Affordable Homes Programme, the further report requested of officers at the September 2024 Cabinet meeting must be delayed until after the 2025 Comprehensive Spending Review (or other such time as we have suitable confidence on the funding available to support delivery of this programme).

Appendices

- a) (Exempt) Appendix 1 – Housing Business Case
- b) (Exempt) Appendix 2 – Valuation
- c) (Exempt) Appendix 3 – Schedule of key financial information

Background Documents

d) Chief Finance Officer's 2025/26 Budget Update report – February 2025

4. Introduction

- 4.1. In the early 2000s, the Torbay LA 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 HomeChoice.
- 4.2. This is largely a result of the current macro-economic and policy situation, compounded by the specific geographic issues we face in Torbay that collectively suppress new growth. 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. Added to this, many Registered Providers are scaling back their delivery programmes with little new commitment to growth reasons at present, as a result of the regulatory issues faced by the sector. The cumulative impact of this being: house price increases, a decline in the quality of private rental stock (as there is no financial incentive to strive for quality), diminished supply and, ultimately, a reduced ability for the Council to help those in most need.
- 4.3. The Council has committed to address this and increase affordable housing supply. A Housing Delivery Plan has been created to identify opportunities over the next five years, both for direct council delivery, and indirect delivery through partners. To that end, we have recently commenced development of the first new 'council housing' in Torbay for a generation, through redevelopment of the former St. Kilda's care home in Brixham for 23 homes for social rent, for older people.
- 4.4. Additionally, we have committed to deliver the Accommodation Re-purposing Project, now known as 'Hotels to Homes'. This has been specifically designed to respond to Torbay's unique profile of having relatively few suitable and supportable greenfield opportunities, but large numbers of small-medium urban brownfield sites in the form of unviable leisure and holiday accommodation. Through this initiative, the Council will acquire and convert or redevelop sites into purpose build social housing for local people; officers are pleased to confirm that the Council is now in contract to deliver its first such scheme (subject to a revised planning consent being issued in March 2025), at Brampton Court Hotel in Torquay for 14-homes for social rent. We have secured an initial £3.000m of grant subsidy from the Levelling-Up Fund to commence delivery at Brampton Court and we have now been awarded a second tranche of grant funding from the Devon and Torbay Devolution Deal to extend this to deliver more much-needed social housing for the local community.
- 4.5. The private sector does sometimes regenerate sites of this type into housing. However, the numbers of homes delivered in this way is small; furthermore, such developer-led opportunities typically provide few – if any – affordable homes. This is because such sites are either only large enough for a maximum of 14 dwellings (and therefore fall below the Local Plan threshold for affordable housing), or developers design their schemes such that

they artificially end up below the affordable housing threshold. Regardless, though, of the actual size or developer appetite, it is true to say that such schemes are comparatively expensive to build and present a greater risk to a developer than – say – a typical greenfield site. Consequently, there is often a genuine viability argument that may legitimately reduce any affordable housing or other s106 obligation. Conversely, our Hotels to Homes programme is specifically designed to redevelop these sites for **100% affordable housing**. As they offer a below-market income, such schemes can only be delivered where there is a suitable form of subsidy to bridge the viability gap between cost and social housing incomes, either from Homes England or other public source.

- 4.6. Whilst new homes will be let through Devon HomeChoice to eligible local households, there is an intention to make these schemes attractive to households where at least one adult is working in a key local industry (what has historically been called “keyworkers”). This is to seek to specifically address the chronic recruitment issues faced by parts of the public sector such as the NHS, where a lack of affordable, good quality housing is having a direct impact on recruitment and retention, creating major difficulties for the health service and ultimately impacting upon the health outcomes of Torbay residents.
- 4.7. Hotels to Homes is an ambitious proposal to increase the supply of new homes that are ideal for people working in key local industries, without sacrificing more of the green spaces within the Bay. It is also intended, in the medium-term, to be a self-sustaining, cyclical investment programme that blends Council-secured borrowing with Homes England grant, the Levelling-Up Fund subsidy and the CCA grant into a combined social housing development ‘fund’. Overall, we are working towards the Council having a medium-sized ongoing programme of social housing development specifically on brownfield sites. This is to both increase our delivery numbers and provide much-needed small-scale regeneration urban renewal. The intention is to:
 1. Purchase sites and enable their redevelopment;
 2. Let the built homes to local people working in key industries, at social rents;
 3. Build up a portfolio of stock over a medium term;
 4. To attempt to sell this portfolio (with tenants) to a partner RP, generating a capital receipt to (which can be used to fund the next tranche of delivery); and,
 5. Repeat (ad infinitum).
- 4.8. To achieve the ambitions of the Devolution Deal grant, we have extensively searched the market to identify a site that:
 1. meets the council’s delivery objectives,
 2. is possible to acquire by 31 March 2025, and,
 3. where we can secure a demolition contractor to immediately clear the site following purchase (to prepare the site for redevelopment and reduce the liability in respect of ownership of a dilapidated building).
- 4.9. A Torquay-based specialist project management firm has been contracted to support us with this process, and expert conveyancers are managing the acquisition. The building is vacant, being a former hotel that ceased trading some time ago.
- 4.10. The site has the benefit of an extant planning consent, but officers consider that a more efficient form of design could be achieved to increase the scale of development without compromising design. Once purchased, we will undertake a feasibility exercise to consider

the most appropriate form and scale of development, to maximise the viability position. Whilst we will seek to increase density, the presence of the extant consent significantly reduces the risk profile; it also means that we have a 'fallback position' if necessary.

- 4.11. As such we are effectively splitting the project and budget approvals into the following:
 1. A First Stage business case (this paper) – to approve the acquisition of the asset and demolition, and redesign the project to increase the number of units on the site; and
 2. A Second Stage business case – to consider the revised scheme and overall capital allowance for construction of the built homes, and proposed procurement strategy.
- 4.12. Splitting the scheme has enabled us to achieve the threshold required for the CCA in respect of securing a site for the Hotels to Homes Programme, which when combined with our other social housing delivery activity throughout the Bay has enabled us to unlock the grant. To expedite the redesign, the Council is negotiating the transfer of relevant technical studies, rather than having to recommission work unnecessarily. The target is to submit any revised planning application by Autumn 2025.
- 4.13. Officers have secured a Red Book valuation for the site, which is attached at Exempt Appendix 2. The Council's initial offer was at the price stated in the valuation; however, this was refused. In consultation with the Director of Finance, officers have had an offer accepted at 105.6% of the valuation. Whilst this is not the standard approach, we have to recognise that we are bound by extremely tight deadlines, which means our negotiation options have been limited. Further, as the difference between the valuation and the accepted offer is so small; this strategy is considered – on balance – to be suitable way to both secure our next site, and ultimately the external grant funding for the benefit of the people of Torbay.
- 4.14. Officers have exchanged Heads of Terms with the vendor and the conveyance is progressing at pace. We are working to a target of simultaneous exchange and completion on 14 March 2025, with demolition following as soon as possible thereafter.
- 4.15. As a First Stage business case, this paper does not propose the building strategy or capital budget for the new homes' construction – this will follow in a Second Stage appraisal. This is because officers consider that the default scheme is not an ideal way to deliver the project in the context of current market conditions and grant regime; we intend to work up an alternative proposal once the site is in our ownership to attempt to improve viability (although we believe that it would be possible to deliver the default scheme if necessary through enhanced use of internal affordable housing subsidies).
- 4.16. There are two disadvantages with this staged approach, though:
 1. It means that there will be some duplication in respect of governance, as officers will need to draft a second paper to allocate the necessary capital delivery funding.
 2. Officers cannot currently give certainty about the costs associated with construction of the new homes, as we do not know what will be built.
- 4.17. Officers have undertaken an indicative modelling exercise utilising BCIS benchmark build costs and using standard assumptions in respect of on-costs and fees etc. (with preliminary advice from an external Quantity Surveyor). In the event that have to build out the default scheme we believe that it would be possible to deliver a project using the capital grant sources outlined in this paper, along with standard rates of borrowing, and – if absolutely

necessary – additional internal affordable housing subsidy to fund delivery. Although should it be necessary, there would be an option to sell the site on if necessary.

- 4.18. Cabinet should be clear that whilst the proposal is considered the most pragmatic way to meet the challenging grant conditions and secure the investment in Torbay, our only option is to purchase with the acceptance that this will be a (calculated) commercial risk in the event that: a) we cannot obtain an improved planning consent, or b) that we cannot identify a more efficient scheme through the redesign process. Furthermore, purchasing the scheme (and accepting the grant income), will create an obligation on us to find a way to deliver a built scheme for affordable housing. As outlined above, in the worst case scenario the solution would be build the default scheme and use additional internal subsidy to address any financial shortfall. With the extremely limited time available to us, it is impossible to eliminate these risks; however, with them expressly considered as part of the appraisal by Cabinet, officers – on balance – recommend proceeding as set out.
- 4.19. All homes would be built to modern standards, with an expectation that we can achieve at least EPC B, utilising low carbon heating (with renewable energy, if this is supported through the planning process). The site is within an attractive, tree-lined area or Torquay where values are comparatively high, and where a number of similar properties have been converted to residential accommodation in recent years. A combination of on and off-street parking will also be provided, and homes will meet Homes England's requirements in respect of NDSS standards. We also anticipate providing a fire suppression system within the scheme to enhance the protection offered to tenants and our investment. A tender exercise for demolition has recently been undertaken by the appointed Project Management firm, for the figure outlined in Exempt Appendix 3. Main construction of a site like this is likely to take in the region of 12 months from start to completion.
- 4.20. As outlined, officers hope to encourage local "keyworkers" to bid for such properties when they come available, but it's important to note that we cannot 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.
- 4.21. Unlike Brampton Court, we will be wholly responsible for the design and build of the scheme. As such, it will be constructed to our specification and be delivered by the Council's in-house Strategic Housing & Delivery Service. This will involve working with private sector suppliers, in a similar way to the St. Kilda's project, which is now underway.
- 4.22. In the September 2024 cabinet paper, officers outlined an expectation to outline an approach to move from a site-by-site approach to individual projects, to a programme approach with an associated funding strategy. This was based on the information available at that time, which suggested that the Labour Government would announce the next Homes England programme before the end of 2024. This has not yet happened, with the current expectation that this will now follow the June 2025 Comprehensive Spending Review. As a result, officers have no option but to postpone presentation of this paper as we don't yet know what the new subsidy regime will look like and what level of investment the grant will enable us to leverage through borrowing. As such, the Head of Strategic Housing & Delivery will bring this paper to members for consideration as soon as we have sufficient direction from the government/Homes England on the likely direction of travel in this regard.

5. Options under consideration

- 5.1. The short timescales associated with this grant mean there are just three options available:
- 5.2. **Option 1** is to acquire the scheme as set out in Exempt Appendix 1. This must be in acceptance of the risks highlighted in respect of not currently knowing the best delivery route for this site (in respect of size and scale etc. with the most viable way to deliver the project therefore not yet known. Officers believe there is a more efficient way to develop the site, but this cannot be known for definite until the redesign exercise has been concluded – the risk for the council is that it is not possible to conclude this review until after the grant claim deadline. However, this would mean the inevitable return of the grant funding, and the non-provision of the much-needed affordable homes.
- 5.3. **Option 2** would be to withdraw from the purchase of Scheme 2 and attempt to identify a hotel for acquisition at auction, which would have to be purchased on an ‘as seen’ basis. Very little (if any) due diligence would be possible within the timescales which would therefore represent a considerable risk to the Authority. Furthermore, we would have no option but to attempt to purchase whatever is available through that purchase route at that point in time – it may be difficult to find something that meets our requirements in the time available; furthermore, the liability associated with purchasing something we know practically nothing about is considerable, and it would require a significant leap of faith to proceed down this route. We would also have limited ability to test the likely support from the planning team and have to rely on whatever information is readily available, as opposed to making an informed purchase. This option is considered to represent far too great a risk and cannot be recommended as a way forward.
- 5.4. **Option 3** would be to hand back the grant and decline to proceed further. This would be detrimental to our relationship with MHCLG, the new government and the CCA. This may also cause wider implications for other Council delivery programmes and funding streams, too. Ultimately, this would also mean that the additional affordable housing supply we urgently need, would not materialise. This would be extremely detrimental, and reputationally very damaging, and cannot be recommended either.
- 5.5. The reality is that **Option 1**, by virtue of the fact that the Council is already underway with the due diligence of the acquisition is likely to be the best way forward and has the greatest chance of successfully delivering the new homes, of the three options considered here. It is clearly far less than ideal to have been set such unachievable timescales for delivery, which has severely hampered what we have been able to identify and purchase. It means that we have no option but to purchase with a two-stage business case process (with the inevitable risk this creates), but it really is our only option to preserve this grant allocation for the community in Torbay. As such, whilst members should again be mindful of the commercial risks associated with this approach, Option 1 is the recommended way forward, as the only reasonable way to preserve the grant award for the community in Torbay, and to drive this much needed growth in social housing, within the confines allowed for the grant award.

6. Financial Opportunities and Implications

- 6.1. This proposal seeks to increase Torbay Council’s capital programme by £3.000m, funded through £2.000m of grant from the Devon and Torbay Devolution Deal, with £1.000m of match-funding from Torbay Council. The Director of Finance, in his Chief Finance Officer’s

Report has outlined the financial implications of the proposed budget but suffice to say that the Council's £1.000m of match funding is a funded allocation in the budget, funded from the increase in Second Homes Council Tax income. There are not considered to be any other financial implications associated with increasing the capital programme in this way.

6.2. In respect of the scheme, a business case has been presented to the Capital & Growth Board in respect of the land acquisition. The proposal was considered by the Director of Finance, Director of Pride in Place, Director of Regeneration and other senior officers within the Council. A copy of the business case presented is attached at Exempt Appendix 1. Inevitable concerns were expressed about the two-stage nature of this proposal; however, in light of the alternative position of handing back the grant and reputational damage this would incur, the Board provided its endorsement for the proposal.

6.3. The financial benefits and disbenefits of the acquisition are considered below:

6.4. Benefits:

1. The acquisition will not require council borrowing. As such, there will be no net impact to tax payers, or our overall borrowing headroom position.
2. The acquisition makes good use of the grant funding, for its intended purpose and in accordance with our obligations.
3. Whilst it has not been possible to spend the full £2.000m of grant on a newbuild scheme as per the original intention (as it's not possible to achieve the ambition in just c.4months), agreeing to proceed to purchase the asset in this way unlocks an ability to substitute in other related affordable housing activity to justify the full grant award being made to the Council.
4. The project will generate rental income once complete, which will fund any borrowing associated with the final scheme.
5. An allocation will be 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. 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 into a long-term self-funding model.
7. Redevelopment of this hotel to additional homes generates additional Council Tax income for the Authority.
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 construction warranty.

6.5. Disbenefits:

1. The Council will be taking the commercial risk of an acquisition as set out.
2. We do not currently know the best form of delivery for the project, or the quantum of homes that it could facilitate but must acquire the site for the fixed sum.
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 would not be able to generate a disposal receipt, which would necessitate the need for further borrowing to sustain the current growth ambitions, which is not the current brief.

4. If officers are unable to secure the necessary additional funding to convert the first projects into a long-term self-financed model, the Council will be in ownership of two schemes of this type, which would be inefficient in terms of management.
5. There is a hypothetical risk that the Council is unable to secure either Homes England grant, which would mean utilising all of the CCA grant, all of the Council's match-funding, and further subsidising the project with additional internal subsidy (likely from receipts). This would result in less headroom overall, meaning we deliver fewer schemes (it should be noted that there can be no guarantees of Homes England grant – this will depend on the outcome of the new government's vision for the next Affordable Homes Programme);
6. There is a hypothetical risk that we cannot find suitable tenants to occupy the new homes. However, this is very unlikely, considering the extent of housing need on Devon HomeChoice with a local connection.

7. Legal Implications

- 7.1. The Council will be entering into a commercial arrangement to purchase an asset on the open market. 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. Unlike the Brampton Court scheme, the Council will be responsible for securing the site and ultimately enabling its redevelopment. Corporately, the Council will need to commit the relevant resources to securing the site to keep members of the public safe, and also to expediting the procurement processes associated with demolition and new build, in due course. The Council will also need specialist legal advice in respect of construction contracts and utilising the specialist skills of an Employer's Agent to protect our investment.

8. Engagement and Consultation

- 8.1. In this instance, the principle of redevelopment has already been set through the planning consent. 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 application, which will be submitted to the Local Planning Authority in due course.
- 8.2. The SRO has engaged with senior officers throughout development of this proposal, and through the Capital & Growth Board process. Support has been received to proceed, with the Board specifically noting the risks outlined but endorsing the recommended way forward in light of the challenging grant obligations and the need to progress at speed.

- 8.3. The SRO has engaged extensively with the Portfolio Holder for Housing and Finance, who is supportive. Cabinet are also aware of the scheme through information sharing sessions, Capital & Growth Board and through the development of the Housing Delivery Plan.
- 8.4. The SRO will meet with the Shadow Portfolio Holder for Housing & Finance, prior to the cabinet meeting
- 8.5. The SRO will offer to meet with the elected members that represent the ward, prior to the cabinet meeting.
- 8.6. The SRO will liaise with the Council's in-house housing management team prior to the Cabinet meeting.
- 8.7. The SRO will liaise with the Housing Options service ahead of Cabinet.
- 8.8. The SRO has engaged with Homes England representatives in developing this proposal. Homes England are broadly supportive but are unable to confirm outright backing until they scrutinise any forthcoming grant bid and financial appraisal.
- 8.9. The SRO has liaised with Planning Policy colleagues to ensure no fundamental conflict in respect of an attempt to densify the number of homes on the site.

9. Procurement Implications

- 9.1. The acquisition of land falls outside of the Contract Procedures Rules; such transactions do not constitute a procurement.
- 9.2. The Council has procured a local Project Management firm to run the project day-to-day. They have procured on our behalf some of the technical surveys etc., required to proceed to the next stage.
- 9.3. The Council will be procuring a demolition contractor to clear the site. The PM Team has tendered this; two responses have been received and the best value for money quote is currently being formally procured.
- 9.4. The Council will need to procure a full range of additional surveys and design work – this will use either a framework supplier, or other approved route to market.
- 9.5. The Council will need to commercially tender for a construction partner, to build the scheme (on appropriate terms). This has not yet taken place.
- 9.6. 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.
- 9.7. The Council has appointed external legal representation for the conveyance, through the Council's Legal Service. In this instance, industry 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.
- 9.8. An Employer's Agent and 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 brownfield sites for redevelopment helps prevent greenfield sites being required to deliver housing growth. It also helps make better use of land and achieves our ambitions for intensifying housing within our urban centres where the existing use is no longer viable.
- 10.2. The new homes will be heated by air source heat pump/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 principal risks associated with this scheme are described throughout this paper and appendices.
- 11.2. As indicated throughout this paper, as a result of the grant conditions, this is a rapidly evolving scheme with an enhanced level of conveyancing due diligence. An 'additional conveyancing risk' has been identified, for reasons of commercial sensitivity cannot be disclosed publicly. This is described in greater detail in 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
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>	<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>	Lettings and Housing Management
Carers	<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>		Housing Management and Lettings
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</p>	<p>Due to the nature of converting existing buildings, it will not always be possible to create flats that are suitable for occupants with a physical disability. Any</p>	<p>Consider accessibility and mental health needs in designs of conversions</p>	Strategic Housing

	physical or mental health condition or illness.	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 live births since the middle of the last decade across all areas.	Only flats with 2 or more bedrooms would be considered suitable for families.	NA	Lettings and Housing Management
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	NA	NA

		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.		
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 will be accounted for within the Second Stage 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.