

Report to: **Hub**

Date: **October 2022**

Title: **Housing Crisis Update**

Portfolio Area: **Homes – Cllr Barry Ratcliffe**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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#### **Recommends:**

- 1. The Hub Committee note the progress of the Springhill Temporary Accommodation Scheme, Tavistock and the possible further at-risk spend of £60k to enter a Pre-Construction Services Contract, to be spent from the Project Capital Expenditure approval of £1,200,000, as detailed within the October 2020 Hub Report**
- 2. The Hub Committee agree to cease work on a directly delivered affordable led housing scheme at Brentor.**
- 3. The Hub Committee note the progress of the Okehampton (Wonnacotts) Housing Scheme and support the actions taken by officers to progress the plan to bring forward the development of the site.**

## **1. Executive Summary**

In February 2022 West Devon Borough Council declared a Housing Crisis. At the same time a commitment was given to a range of activities the Council would undertake to tackle the crisis. The Leader of the Council has requested that a regular update is provided to the Hub at their committee.

The Council has several significant housing projects at various stages of pre-development. Members will recall the approval of a number of posts in the June report. We have successfully recruited both the Housing Development Officer and the Housing Needs Officer but will shortly be re-advertising the role of Affordable Housing Planner. At the time of writing the Housing Development Officer has not yet joined the organisation, however we have welcomed the Housing Needs Officer to the team, who is already contributing towards gathering robust needs data to inform our evidence led approach towards tackling the housing crisis.

In this report, we will seek to inform members in relation to three matters and note and/or recommend approval of proposed action and required expenditure:

- Progress in relation to the Springhill Temporary Accommodation Redevelopment Project
- Progress in relation to the proposed Brentor Affordable Housing Scheme and
- Progress in relation to the Okehampton (Wonnacotts) Proposed Development site.

## **2. Springhill**

### **2.1 Background**

- 2.1.1 At the October 2020 Hub Committee, Members were presented with an update on the Springhill project. The project aims and objectives were noted and support was given to the current design direction. A draft business case was appended at Exempt Appendix B which outlined the project budget and anticipated construction costs.
- 2.1.2 The June 2021 Hub Committee approved the recommendation to progress with the submission of a planning application which was subsequently submitted on 15th July 2021.
- 2.1.3 The planning application sought to demolish the existing building, with partial reuse of the existing material in the construction of a new building on a larger footprint, creating 11 self-contained apartments, in a mix of 1 and 2

bedroom units for the accommodation of homeless persons.

- 2.1.4 The new development is proposed to also include a staff office, bin store and rear courtyard to provide safe outdoor space for residents.
- 2.1.5 Planning permission was granted on 11<sup>th</sup> March 2022 (2828/21/FUL). The detailed design stage of the project commenced thereafter, and a tender process was run once complete.
- 2.1.6 A verbal update was provided to the June 2022 Hub Committee which confirmed the Council had been unable to secure a contractor via open tender through the Councils procurement portal process.
- 2.1.7 As an alternative, the project team recommended engagement of a framework to secure direct contract award.

## **2.2 Proposed Way Forward**

- 2.2.1 Expressions of Interest have been sought through the Southern Contractors Framework and work has been ongoing to evaluate the bids received.
- 2.2.2 The framework engagement timeline to date has been as follows:

Hub Committee update & recommendation to engage framework	21 <sup>st</sup> June 2022
Southern Contractors Framework preliminary Expressions of Interest sought	29 <sup>th</sup> June – 12 <sup>th</sup> July 2022
Expressions of Interest received	W/C 18 <sup>th</sup> July 2022
SCF Framework Stage 1 Tender Documents Generated	21 <sup>st</sup> July – 11 <sup>th</sup> Aug 2022
Tender Documents Issued	11 <sup>th</sup> Aug 2022
Contractor Submission Date	20 <sup>th</sup> Sept 2022

- 2.2.3 Under the Framework, work would progress as a Two-Stage Open Book model under the Framework Agreement.
- 2.2.4 In this scenario, the Council would accept the First Stage Tender submitted by the Contractor which covers the provision of Pre-Construction Services only. A construction contract could then be awarded subsequently, if the final construction cost offer is accepted.
- 2.2.5 By awarding a Pre-Construction Services Contract, the full construction cost will be confirmed. Furthermore, associated risks will have been identified, investigated, and allocated to the responsible party under the contract.
- 2.2.6 Discussions are ongoing further to the expression of interest with potential contractors, with a view to entering into a pre-construction services contract.
- 2.2.7 If agreed, a Pre-Construction Services Contract is estimated to cost in the region of £60k. This would be spent at risk from the approved budget and will provide a costed project, with risk and cost certainty.
- 2.2.8 This process will take several months into 2023. A report to the Hub Committee is anticipated for Spring 2023 setting out the business case and associated funding options and recommendations.
- 2.2.9 It is therefore, recommended a Pre-Construction Services Contract be entered into with a preferred contractor, if appropriate terms can be agreed.
- 2.2.10 In the event that appropriate terms cannot be reached with a contractor, work will continue to work with the market to find an acceptable procurement route for delivery.

### **3. Brentor**

#### **3.1 Background**

- 3.1.1 In March 2017, the Council was awarded £247,620 from the Government's Community Housing Fund. The Council

used a portion of this funding for feasibility and scheme design at Brentor.

- 3.1.2 In March 2021, members agreed to proceed on the Brentor scheme. A recommendation was made to the Council to approve the commitment to spend up to a further £85k from the innovation fund (Invest to Earn) on detailed design, specification, and tendering, subject to a successful planning decision.
- 3.1.3 The planning application requires a detailed housing needs analysis to support the development of housing on an unallocated site.

### **3.2 Housing Need**

- 3.2.1 Prior to the submission of a planning application, the housing need was revisited. The Council conducted a light touch housing needs survey in December 2021. The response rate was very poor (5 in total) despite heavy promotion by both the Borough and the Parish Council.
- 3.2.2 A further independent survey was commissioned by the Council and Devon Communities Together in April 2022. This received a very good response rate of 44% with 200 surveys delivered and 88 returned.
- 3.2.3 Of this, only 6 households were deemed to be in need. This equated to 5 x 1 bed properties and 1 x 2 bed roomed property.
- 3.2.4 Whilst the need still indicated a 1 bed requirement as reported in the March 2021 Hub report, on closer analysis it was evident no one under 55 had completed the survey. Therefore, future housing need of family sized accommodation could not be evidenced.
- 3.2.5 The proposed scheme of 12 properties (3 open market, 4 shared ownership and 5 affordable homes) all of 2 & 3 bed reflects major development in the Dartmoor National Park. Dartmoor's local plan states "larger housing developments will only be approved where there is an identified need for affordable housing".
- 3.2.6 The proposed development does not therefore reflect the current local evidenced need of Brentor, and a scheme aligned to the need would be too small to be justifiable.
- 3.2.7 Without a demonstrable housing need aligned to the scheme proposals, any planning application would not accord with DNPA's local plan as outlined above. This is a particularly acute risk within the national park area.

- 3.2.8 In light of this situation, it is no longer possible for the Council to pursue a planning application for this site, which effectively fetters development. It is recommended the Council does not progress the Brentor scheme any further.

### **3.3 Community Delivery Support**

- 3.3.1 Should the Community have aspirations to bring forward affordable housing in the village in the future, demonstrable housing need would need to be established via a further survey. The Council would support this independent course of action ensuring the methodology of any housing needs survey was acceptable to the planning authority.
- 3.3.2 Should a need be established, the Council has the ability to liaise with Registered Providers (RP's) on the Parish Council's behalf. The Council can also help source funding through Homes England. Working with a strong partner such as an RP with access to grant funding is robust delivery route with merit.
- 3.3.3 Further Council support could be offered in the form of assistance developing local lettings plans and also advice and assistance at community meetings to explain the process and the importance of registering interests from local people.
- 3.3.4 If there was appetite to form a Community Land Trust, as has successfully delivered affordable housing in Chagford the Council could also offer support through independent advisors (Middlemarch) including a contribution towards the cost.
- 3.3.5 Finally, the Council would be willing to share information which it has commissioned on the existing site to the Community (surveys etc) as appropriate.
- 3.3.6 The Council's total expenditure to date on this scheme has been £192,016, which has been spent on the preparation of the planning application.

## **4. Okehampton (Wonnacotts)**

### **4.1 Background**

- 4.1.1 The Council owns a site in Okehampton adjacent to Wonnacotts Road (Site Plan attached).
- 4.1.2 The Council has made a declaration of its intention to bring the site forward as affordable led housing.
- 4.1.3 To achieve this, the project team will explore a range of delivery options, including partnership with a Registered Provider (RP), an approach which has been used by other authorities and can leverage additional grant funding, resource and efficiency.
- 4.1.4 To date, significant steps have been taken to progress an affordable led scheme at the site including site assembly, early community and Development Management engagement and securing of funding to support feasibility studies.
- 4.1.5 Ensuring sufficient internal resource is available to keep progress on track is critical. As such a dedicated Assets project manager has been identified, to be supported by the new Housing Development Officer.
- 4.1.6 Historically, site feasibility studies and plans had shown a potential development site of between 60-70 homes. However, further work has established the site is more likely to support a smaller scale development of perhaps 40 units.
- 4.1.7 The aspiration for the site would be a development that aligns to our housing strategy and A Plan for West Devon. The opportunity to work with Devon County Council over the delivery of assisted living accommodation is also being explored.

## **4.2 Housing Need**

- 4.2.1 There is significant housing need in Okehampton, and as a town it is expected to meet not just its own housing need but also some of the surrounding area. There is not yet a neighbourhood plan, although the making of one is underway and the group has been in regular contact to discuss housing need.
- 4.2.2 Okehampton has a number of allocated sites, and these are all in the process or have gained planning permission and have a RP landlord already attached This will provide 91 units of affordable housing. However, this highlights with a further 10 years of the Joint Local Plan no further allocations of affordable housing coming forward unless there are windfall sites. This does not meet existing need

demonstrated through Devon Home Choice (the housing register)

#### 4.2.3 Evidence from the Housing Register

Residence:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A					
Band B	8	4	2	1	15
Band C	2	4	8	4	18
Band D	34	6	4	1	45
Band E	41	48	13	1	109
Totals	85	62	27	7	181

Local Connection through family connection:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A					
Band B	1	1			2
Band C		3	2	3	8
Band D	10	1	1		12
Band E	5	7	1		13
Totals	16	12	4	3	35

Local Connection through employment:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A					
Band B	1			1	2
Band C		1		2	3
Band D		1			1
Band E	3	5	3		11
Totals	4	7	3	3	17

- 4.2.4 Furthermore, Devon County Council through its Housing with support needs assessment has identified a need for good quality supported accommodation that promotes independence for people with learning disabilities. A town centre location would be ideal for a supported housing scheme such as this, with opportunities to access both voluntary and paid employment and good transport links.

### 4.3 Proposed Way Forward

- 4.3.1 To further progress the delivery of an affordable led housing scheme at the Wonnacotts site, formal pre-application advice should be sought to inform the project team of viable outcomes, whether for direct delivery or through a joint venture or partnership approach.



- 4.3.2 The project team are engaged in discussions with the existing professional services team in relation to the requirements for completion of a formal planning pre-application. This will include understanding what additional surveys and studies will be required.
- 4.3.3 These studies will be undertaken to understand key site constraints better. These may include:
- Ecology
  - Landscape i.e. trees
  - Flood risk & drainage
  - Transport & access
- 4.3.4 Once complete, the formal response received will inform the proposed site design and the technical and financial viability and associated business case required for the project to move forward.
- 4.3.5 It is then recommended the Council undertakes an Expressions of Interest Exercise (EOI). This will inform the Council of what opportunities may exist in the market to bring forward an affordable led scheme. The site would be marketed alongside the Councils adopted Housing Strategy, Better Homes, Better Lives and other Council objectives such as the climate agenda and biodiversity net gain.
- 4.3.6 Through this process RP's and other strategic partners would be notified and invited to put forward proposals for consideration.
- 4.3.7 Other local authorities, for example Plymouth City Council have utilised EOI's for several of their sites for affordable led schemes. This involves marketing a site alongside their corporate ambitions, the local authority's development plan and housing ambitions. Interested parties are invited to submit their proposals for the site in line with these ambitions which are then evaluated and treat with the developer who best satisfies the criteria.
- 4.3.8 It is important to note that any EOI received do not form any contractual arrangement to proceed. An evaluation exercise will follow receipt of EOI's, which will involve further reporting to members.

## 5. Implications

Implications	Relevant Y/N	Details and proposed measures to address

Legal/Governance	Y	The EOI process does not create any contractual relationship between the parties. Instead, the process informs the Council of opportunities which may be available to move forward.
Financial implications to include reference to value for money	Y	The further at-risk spend of £60k to enter a Pre-Construction Services Contract, to be spent from the Project Capital Expenditure approval of £1,200,000, as detailed within the October 2020 Hub Report
Risk		
Supporting Corporate Strategy	Y	Homes
Climate Change - Carbon / Biodiversity Impact	N	There are no recommendations that have a carbon or biodiversity implication at the current time.  Any future recommendation to support development would have an impact. This would be considered fully through the planning application process.
Community consultation and engagement	Y	Whilst none as a direct result of this report there has been community engagement through the planning process at Springhill, the parish needs survey at Brentor and there will be community engagement regarding the Wonnacotts site at the appropriate time
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly as a result of this report
Safeguarding	N	None directly as a result of this report
Community Safety, Crime and Disorder	N	None directly as a result of this report None directly as a result of this report
Health, Safety and Wellbeing	N	None directly as a result of this report
Other implications		

### **Supporting Information**

### **Approval and clearance of report**