

Report to: Housing Review Board



Date of Meeting September 15<sup>th</sup> 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release NA

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## Housing Task Force (HTF) Update

### Report summary:

To inform the board of the Housing Task Force's progress to date and to outline future plans for the delivery of affordable and social housing across the district

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That the Housing Review Board recommends to Cabinet, that approval be given for the Housing Task Force Service Lead, to complete discussions with the South West Procurement Alliance (SWPA) and ZedPods, for the purpose of procuring a contract to develop new housing on behalf of EDDC

### Reason for recommendation:

The Housing Review Board requested regular updates on progress made by the new HTF toward its singular aim of delivering new housing for EDDC

To furnish the HTF Service Lead with the required approvals to undertake negotiations and procurement processes, to support members aspirations to deliver new housing across the district

Officer: Jo Garfoot – Housing Task Force Service Lead; JGarfoot@eastdevon.gov.uk

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

Report for noting only

**Climate change** Low Impact

**Risk:** report for noting only

## **Links to background information**

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
  - A greener East Devon
  - A resilient economy
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## **Report**

### **Background**

The Housing Task Force was instigated as a result of the Social Housing Task and Finish Forum (TAFF). During discussions at the TAFF it became clear that members had an aspiration to increase our social and affordable housing portfolio and that resources should be allocated to achieve this.

As we know EDDC has lost a significant amount of homes since the inception of the Right to Buy scheme. The aim of HTF is to redress this balance by delivering a pipeline programme of directly delivered housing developments, maximise the relationships we have with development partners such as Registered Providers (RPs), Community Land Trusts (CLTs) and pushing for adherence to Section 106 agreements in place with volume builders, amongst other things. The team are exploring any and all opportunities we have available to us to deliver members aspirations

The Task Force went live in Mid-February of this year and at this point work is picking up pace

This report is an update on progress so far and sets out some of the options we are exploring

### **1. Recruitment**

- i. As with other areas of the business recruitment has been a challenge for us.
- ii. However, I am pleased to report that we will shortly have 3 members of the team in place. We have successfully recruited into the Development Surveyor role, with the successful candidate's wealth of knowledge and experience he will be a huge asset to the team and we cannot wait to welcome him on board in September
- iii. The second Enabling Officer role remains vacant, but, we are hopeful this will be filled in time
- iv. We will hopefully be recruiting a part time Project Officer to support the emerging work streams

### **2. Exploring Opportunities**

- i. Initially we have been focussing on land that is within our ownership. Member's laudable aspiration is for us to expedite the building of new homes and make them available to tenants as quickly as possible, to reduce the Devon Home Choice waiting list and our reliance on external temporary housing. This is obviously easier to achieve if we are in control of the development sites. We have been out and about in our communities assessing potential sites. This is ongoing and encompasses garage sites, carparks, green spaces and in fill sites amongst others
- ii. We are also exploring council sites (rather than housing owned) with potential to be transferred into the HRA for future housing use. These include depo's, carparks, closed toilets and other sites that could otherwise be offered for disposal outside of the council. This is proving to be an interesting discussion and colleagues across the business have

been supportive. I'm hopeful it could lead to a very beneficial recycling of wider EDDC assets to provide future housing

- iii. Obviously we want to explore as many delivery options as possible, so we have publicised our desire to acquire development sites externally with land and estate agents. This does need to be handled sensitively or we run the risk of a conflict of interest, with our developing RPs and CLTs. We definitely need to be fostering and supporting those relationships rather than putting ourselves in competition with them
- iv. We have made an informal offer on a small piece of land in Axminster, that, should we proceed to purchase, could facilitate a larger development in the future. However as with all developments this site is not without its issues and risks. So, we are currently completing our due diligence so that informed decisions can be made. There is of course also the issue of the Natural England embargo which prevents any building in the Axe Valley, until sufficient mitigations are in place to protect the watercourse. Colleagues in planning tell us this could take a number of years
- v. When our development surveyor joins us we are intending to complete a new review of our garage sites, taking into consideration the new construction methods available to us today. Our hope is that this may increase the number of sites that will be suitable for redevelopment into housing
- vi. We are keeping a spreadsheet of all opportunities. Following options appraisal and viability exercises these will either go forward on to the Development Pipeline Programme or be archived. We currently have 9 sites on this list and it is steadily growing as new avenues and opportunities present themselves

### **3. Stock and Estate Regeneration**

- i. The Stock Condition Survey is now underway and there is an expectation that this will highlight areas within our portfolio that would greatly benefit from a stock regeneration programme.
- ii. We will be working closely with our colleagues in Property & Asset to analyse this information and put a strategy in place to manage any such schemes
- iii. This will be a huge area of opportunity for us to build better quality, sustainable, carbon neutral homes in higher density, allowing us to maximise the land resource we have available.
- iv. Many of our tenants really struggle to maintain the huge gardens that come with a significant number of our post war homes. We can utilise this land to provide additional new housing whilst ensuring that all homes have gardens (houses) or access to beautiful green spaces (flats etc)

### **4. Development Models and Methods of Delivery**

- i. As EDDC is new to direct housing delivery and development, we recognise the need to start small in order to manage the associated risks. This will enable us to build with competence and confidence in this very complex area of business. We are also mindful that working with a development partner to deliver schemes on our behalf will be hugely beneficial to our learning, whilst also achieving meaningful outcomes for tenants and communities quickly and effectively
- ii. With this in mind we have highlighted 3 garage sites in Honiton that we believe have potential for redevelopment into housing. In order to maximise the potential of these small sites we are looking at using a modular building method known as Volumetric MMC (Modern Methods of Construction). There are several reasons for exploring this relatively new building method, below are just a few;
  - The homes are built under factory conditions ensuring quality is extremely high and waste very minimal
  - The whole build cycle has a much lower carbon impact than standard construction

- We can build on previously 'unsuitable' sites due to innovative ground work and foundation models
- We can safely build on garage or carpark sites and retain the parking beneath the dwellings, thereby mitigating the risk of increasing parking issues in our communities
- The homes have a very low energy usage, due to being super insulated, solar PV etc, so the running costs for tenants are greatly reduced and in many cases zero for heating
- The components (windows, kitchens, external finishes etc) used have a very long lifecycle, thereby reducing the ongoing maintenance burden for the council
- The disruption for anyone living around the development site is greatly reduced as the 'on-site' build is much more rapid than in standard construction
- The company we are in discussion with (ZedPods) has a proven and highly praised record of carrying out really meaningful community engagement throughout the process of all its developments
- They have an excellent record of delivering innovative, carbon neutral schemes with sister local authorities both locally and nationally
- This build method supports several of our corporate strategies; Climate Change, Carbon Reduction, Poverty

We are in the early stages of discussions with procurement professionals and ZedPods, so this report seeks approval for the Housing Task Force Service Lead to continue those discussions/negotiations, undertake procurement processes, agree contract terms and report on progress at future meetings

## **5. Options Appraisal & Financial Modeller**

- i. We are in discussions with two companies who provide specialist options appraisal and financial modelling software packages for use in social housing development. In simple terms these modellers enable us to enter all the variables and costs associated with a given development, so we can gauge its financial viability, it gives us the working budget, the rent levels once completed, the length of time it will take to repay any loans etc. The information will also greatly assist in our submissions for funding to Homes England and others
- ii. These documents form a fundamental part of our internal due diligence, risk management and financial monitoring for every opportunity we explore and / or take through to development

## **6. Business as Usual**

The team continues to do all the tasks that transferred over to it from housing such as; working with RPs to deliver Affordable Housing (180+ units this year) Right to Buy Acquisitions, the spending of Right to Buy receipts and commuted sums, supporting Community Land Trusts, Section 106 agreement reviews, commenting on planning decisions etc etc

As a team we have some really exciting months and years ahead of us. Many opportunities for the development of new housing across the district have already been discovered and I'm sure many more will present themselves in the coming months and years. The Pipeline Programme is obviously in its infancy (as is the team) and will continue to grow, but within the year we will have converted many of the 'potentials' into 'live schemes' and be working up timelines for delivery

Having said all of that, I would just like to try and manage expectations. Housing Development is a 'long game', it does not happen quickly and there are many months, often years, where it appears nothing much is happening, but I assure you this is not the case. With development the vast majority of the work is frontloaded into the preparation phases, the actual building of new homes takes a fraction of the time it takes to get schemes through feasibility, design and planning etc. This is the whole premise of the Pipeline Programme, once it's up and running we will have schemes on site and others in various stages of preparation and on it runs!

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**Financial implications:**

A reserve of £500k has been set up to fund the housing task force taken from additional business rates income as advised and agreed previously at Cabinet and Council with minimal amounts drawn down to cover expenditure within the 21/22 financial year. Budget will be allocated from this reserve each year to cover the revenue expenditure incurred by the service.

**Legal implications:**

There are no legal implications on which to comment. To note that Legal Services will support on any procurement process.