

Report to: Cabinet

Date of Meeting 3 September 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



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## **Build & Buy - A Housing Investment & Delivery Plan for East Devon**

### **Report summary:**

The report is a response to a growing housing need and feedback from the Housing Strategy consultation. The report provides an overview and introduction to 'Build and Buy' A Housing Investment & Delivery Plan for East Devon.

### **Is the proposed decision in accordance with:**

Budget Yes ☒ No ☐

Policy Framework Yes ☐ No ☐

### **Recommendation:**

That Cabinet;

- 1) Endorse the Build & Buy Plan
- 2) Note that the financing of the plan is subject to the approval of the HRA Business Plan and the 2026/27 budget setting process in due course.

### **Reason for recommendation:**

To increase the supply of affordable homes for residents of east Devon and contribute to wider housing and community objectives, including estate regeneration.

Officer: Liam Reading – Assistant Director Programmes, Investment & Development

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Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational
- ☐ Finance

- ☐ Place, Infrastructure and Strategic Planning
- ☒ Sustainable Homes and Communities

**Equalities impact** Low

**Climate change** Medium Impact

**Risk:** Medium Risk; Risk table is included on page 4 of this report, and financial implications from point 13 onwards.

**Links to background information** None

**Link to [Council Plan](#)**

Priorities (check which apply)

- ☒ A supported and engaged community
- ☒ Carbon neutrality and ecological recovery
- ☐ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

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## **Build & Buy: A Housing Investment & Development Plan for East Devon**

### **Introduction**

1. This report outlines the Council's vision for new housing through '***Build and Buy – A Housing Investment & Delivery Plan for East Devon.***
2. The purpose of the plan is to maximise the use of our assets, address housing need and support the Council's strategic objective of having a supported and engaged community that have the right homes in the right places and with the appropriate infrastructure.
3. The Plan aims to deliver **500 new homes over the next five years**, with an equal split between homes developed on Council owned land and homes acquired through partnerships with private developers.
  - **250 homes** will be delivered through direct development on the Council's existing landholdings.
  - **250 homes** will be purchased from developers as part of Section 106 agreements, joint ventures, or off-the-shelf acquisitions.
4. This mixed delivery approach is intended to accelerate housing supply, make efficient use of public assets, and ensure the Housing Revenue Account (HRA) has a range of housing stock to meet local needs.

### **Key Considerations**

### Site and Development Feasibility

5. Council owned land will be subject to detailed design proposals and local engagement prior to the submission of Planning. Consideration of local need, house types, location and local infrastructure will be included.
6. Delivery of homes will be phased to manage risk and delivery over the 5 year period.

### Construction Type, Procurement and Delivery Models

7. The form of construction may vary depending on site specific requirements, but could include traditional build or Modern Methods of Construction (MMC)
8. Procurement and delivery is likely to be a mix of design & build contracts, partnerships with housing associations and developer-led schemes. The use of Framework Agreements where appropriate will streamline procurement and ensure value for money.

### Housing Mix and Design Standards

9. The plan proposes to deliver a range of 2, 3 and 4 Bedroom, general needs homes, to create a range of house types
10. Where possible, housing standards for internal elements such as kitchens, bathrooms, heating etc across developments and acquisitions will be standardised to aid long term management and maintenance efficiency.

### Community and Stakeholder Engagement

11. Residents, local councillors, and partner organisations will be engaged throughout the planning and delivery stages to ensure communities are informed and involved. Detailed engagement plans will be prepared on a scheme by scheme basis.
12. This Plan is based on a clearly identified housing need and responds to the challenges outlined in the Councils Draft Housing Strategy. Responses to our consultation on the Housing Strategy showed that the availability of affordable homes for local people was a clear priority.

### **Risk Assessment**

Risk Category	Description	Mitigation Measures
Planning	Potential delays or refusals at planning stage	Early pre-application engagement with planning officers
Cost Inflation	Fluctuations in construction costs or house prices	Build in contingencies and phased procurement to adjust to market conditions
Delivery Delays	Construction or supply chain delays	Use of established contractors; realistic programming and risk-sharing

<b>Financial Risk</b>	Cost overruns or underperformance of acquisitions	Robust financial modelling, cost controls, and regular reviews
<b>Reputational Risk</b>	Public opposition or perceived lack of transparency	Clear communication strategy and ongoing engagement with communities

## **Financial Implications:**

### Capital Investment

13. A significant financial investment will be required to realise the plan vision. This is estimated to be up to £100million over 5 years. The aspiration will be for all new homes to be self-financing i.e. with income covering the cost of borrowing and without negatively impact the Housing Revenue Account.
14. Site by site financial viability will be undertaken to determine the affordability of any proposed development or acquisition. However, there will be a need for further sources of funding to cross subsidise as detailed below.
15. The funding requirement of the plan will form part of a new HRA Business Plan which will be brought to Members for approval in due course and will align with the budget setting process for 2026/27.

### **Funding Sources**

16. The Build and Buy Plan will require a significant capital investment by the Council. This will be met from a range of sources including;
  - Prudential Borrowing
  - Capital receipts from land & assets
  - Government grants (e.g Homes England)
  - S106 commuted sum
  - Right to Buy Receipts

### **Revenue Implications**

17. New homes will generate rental income that will be used to service prudential borrowing. As indicated above, the intention will be for all projects to be self-financing. Where necessary for financial viability, alternative tenures such as shared ownership or market housing may be considered, but only if they enable the wider delivery of affordable housing.

### **Governance**

18. Strong governance is essential to ensure the effective delivery of the Housing Investment and Delivery Plan and to maintain transparency, accountability, and oversight. Effective governance will be achieved through the following;

### Communications and Engagement Strategy:

19. Development projects will include detailed communication and engagement strategies, appropriate to the location and scale of development. The intention will be to provide a clear overview for when and how actions will be undertaken and to manage expectations.

### Regular Portfolio Holder Updates

20. Regular project updates will be provided to the Portfolio Holder for Sustainable Homes and Communities, with further reporting determined by the scale of project and to be set out in a communication strategy.

### Housing Review Board (HRB)

21. Progress on the plan will be routinely reported to the Housing Review Board to provide oversight on delivery, risks and track performance against the plan proposals.

### Decision Making & Delegated Authority

22. Strategic decisions will be subject to existing Council standing orders. In order to ensure smooth delivery, delegated authority may be sought on a project by project basis to enable the timely delivery of homes. In such circumstances delegated authority will be sought at the point of project approval.

### **Conclusion and Next Steps**

23. Build and Buy – A Housing Investment and Delivery Plan for East Devon is a bold, ambitious and proactive response to the District's housing challenges. It should be noted that the development process can be lengthy and complex with the potential for lengthy delays, particularly at the planning and pre planning stage. Multiple external factors such as inflation, particularly on build costs and labour, may adversely affect development viability and necessitate a deviation from the plan target. As such, the hugely ambitious target of 500 homes over 5 years should be seen as an aspirational target.
24. The next steps will include:
  - Finalising site feasibility prioritisation and engagement plans
  - Establishing delivery partnerships and a pipeline of acquisitions
  - Regular progress reporting to Members, in addition to regular review to monitor delivery, risks, and financial performance.
  - Seeking formal approval of the HRA Business Plan which will provide the strategic financial investment framework for financing the plan.

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### **Financial implications:**

The financial implications are significant with the increase of debt proposed at £100m. The principle being debt costs will be met from available rental income from the new properties after assumed external funding. Each scheme that is proposed will require these details to be confirmed before approval is given.

**Legal implications:**

As is indicated in the report, strategic decisions will be subject to existing Council standing orders. In order to ensure smooth delivery, delegated authority may be required on a project by project basis to enable the timely delivery of homes.