

Cabinet Meeting 17 June 2025 - Public Questions and Responses

Barry Warren	SHO13A - Cost of Abortive Zed Pods Capital Projects transferred to Revenue - £455,300. This seems to be the loss of a large amount of money which the Council is burying. Question 1: How many projects were aborted? Response from Cabinet Member for Housing, Asset and Property Services: There were 2 aborted developments, which after initial viability studies proved to be not suitable. Question 2: Why was such a large amount expended before the projects were aborted? Response from Cabinet Member for Housing, Asset and Property Services: That is the cost of undertaking thorough investigation works. SHO01 - A provision of £234k is shown as Housing Rent Error overcharge, which resulted in more than £7 million being wrongly paid by tenants to the Council. Question 3: Is this the cost of the team working on this? Response from Cabinet Member for Housing, Asset and Property Services: No. Question 4: If not, what is this amount for? Response from Cabinet Member for Housing, Asset and Property Services: This is the forecast cost of the refunds due for 2024/25 for overpayments made in 2024/25 – which did not form part of the original £1.545m provision included within 2023/24 as it relates to income that hadn't been received at that time.
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It is proposed to transfer money from the Housing Maintenance Fund final reserve to cover both these costs (totalling nearly £700,000).

Question 5:

How can failed Zed Pods projects be classed as Housing Maintenance?

Response from Cabinet Member for Housing, Asset and Property Services: Housing Maintenance Fund (HMF) is a reserve set aside to fund future new-build capital expenditure

Question 6:

Does this transfer mean that ready money will no longer be available for any housing maintenance emergencies that may suddenly occur?

Response from Cabinet Member for Housing, Asset and Property Services: No, over £12m remains in the reserve.

Question 7:

Isn't this just a way to lower the Housing Maintenance Reserve, so the Council can argue that paying back the full tenant overpayments will threaten the Council's ability to maintain the housing stock?

Response from Cabinet Member for Housing, Asset and Property Services: No, the decision to limit to 6 years was made well before these one-off adjustments were required, and is based upon legal guidance from King's Counsel.

Contract Decision – Mid Devon Housing Build

This contract for the construction of a pair of semi-detached houses in Cullompton has been put out to tender and Cabinet is now being asked to decide to whom the contract should be awarded.

The Council has gone out to tender for a contract to build these houses which is valued at less than £1 million.

Question 8:

	Why did the Council give multiple multimillion pound contracts for house builds direct to Zed Pods without going through this tender process? Response from Cabinet Member for Housing, Asset and Property Services: The contracts for larger, modular, developments were undertaken through procurement frameworks. Companies have already completed rigorous compliance checks in order to join the procurement framework. This negates the need for a standard tender process and ensures value for money. This is complaint procurement route under the legislation. The funding was approved as part of the Capital Programme.
Paul Elstone	The construction of a pair of 2-bedroom semi-detached properties at Honiton Road, Cullompton is part of this Councils social housing portfolio. This being Housing Revenue Account (HRA) Project Number 51 Under Financial Implication in the Cabinet Report, it says the Housing Revenue Account budget is £600,000 for this project. Yet the approved HRA Capital Programme 2025/26 onwards, says that the budgeted cost for this project is £387,000. And the recent ZED POD modular home value for money benchmarking report, put to Scrutiny Committee, says the total cost of the project is £444,854. A very precise figure and despite the development even being started. I have called the benchmarking report fundamentally and fatally flawed because of some very basic and high value calculation errors. My efforts to have the report fully reviewed and properly audited so Council Members could ensure best value for money have abjectly failed. A lack of response I am disappointed to say that has become the norm for this Council. The Honiton Road project does not seem to be anything like value for money, especially so given it is traditional build. That it is not so energy efficient and will not receive Homes England and Modern Methods of Construction (MMC) grant funding. Something a Category 2 MMC panel system build could or would provide. Given such a wide range of cost figures and figures that have been provided by Council officers for the cost of this project, how can this Cabinet make a fully informed decision.

Question 1:

This to ensure they award a contract that truly offers best value for money for the Mid Devon residents overall?

Response from Cabinet Member for Housing, Asset and Property Services: The assurance is taken from the strict procurement process we must follow and further information provided on value for money and benchmarking report for the Cabinet meeting ([Value for Money Report](#), [Annex B](#)) which includes a detailed breakdown of the £444.8k project cost (Annex B).

Question 2:

I have previously raised concerns that not all Members of this Council or the public can properly interrogate the real cost of the Councils HRA projects. This given the way project information was being presented or not presented.

As a result, it was agreed by Cabinet to provide the locations of HRA projects alongside project numbers in HRA Capital Project budget report documentation.

Cabinet also agreed to show previous project expenditure amounts.

This enhanced reporting lasted just one quarter and with the HRA Capital Budget - Appendix 4 Agenda Item no longer showing this level of detail.

Will Cabinet ensure this information is reinstated and in advance of all future Council meetings where HRA project cost information is provided?

Response from Cabinet Member for Housing, Asset and Property Services: Yes, this will be provided in the future.