



Innovative Approaches to Alternative Accommodation

Report of the Business & Finance Scrutiny and Communities Scrutiny Joint Working Group

1. Introduction

- 1.1 The Borough of Telford and Wrekin continue to experience population growth and increasing demand for a range of housing options that meet the evolving needs of local residents. In particular, there is a recognised need to explore opportunities for smaller, affordable and flexible forms of accommodation, including options suitable for single-person occupancy.
- 1.2 In response to these challenges, the Business & Finance Scrutiny Committee established the Innovative Approaches to Alternative Accommodation Working Group, working jointly with members from the Communities Scrutiny Committee.
- 1.3 The purpose of the Working Group was to examine innovative and alternative forms of accommodation, including the repurposing of existing structures, modular and micro-unit developments and other creative housing solutions.
- 1.4 The Working Group heard that approximately 14,000 social housing properties represented 18% of the Borough's overall housing stock and that recent data indicated the requirement for a further c.700 social/affordable homes per annum to meet local housing need.
- 1.5 It was also noted that amongst the properties offered to the Local Authority for nominations by Registered Providers (RP), there had been no availability of five-bedroom social housing properties for the previous three years and one-bedroom social housing properties had the highest demand accounting for 60% of all social housing demand. Demand for social housing comes via homelessness applications and also from the adults and children's teams.
- 1.6 Not all referrals from the Council into RP properties are successful with households failing affordability tests being one of the main reasons RPs may refuse nominations.
- 1.7 Members heard that any increase in housing supply through Council-led development could provide greater local influence over housing provision, meeting areas of unmet need, whilst helping to ensure that rents and ongoing living costs remained affordable for residents.
- 1.8 This report presents the findings of the Joint Working Group together with its conclusions and recommendations for consideration.

2.0 Working Group Meeting – 27 April 2026

- 2.1 Members of the Working Group were advised that the review would encompass garage conversions, modular and micro homes, Garden Pod accommodation and other compact dwelling solutions, together with consideration of their financial, planning, legal and regulatory implications.
- 2.2 Members were informed that the majority of existing one-bedroom accommodation within the Borough was provided through Houses in Multiple Occupation (HMOs), supported accommodation schemes and apartment developments.
- 2.3 Members acknowledged that while these properties have a role to play in providing a mix of tenure, these forms of accommodation were not always appropriate for all residents and did not always promote independent living.
- 2.4 The Working Group heard that there was a particular lack of affordable one-bedroom accommodation. Members noted affordability pressures arising from Local Housing Allowance (LHA) rates being capped at shared accommodation rates for single people under the age of 35. They also heard that high running costs and limited benefit income impacted on the sustainability of tenancies and created some challenges with delivering small schemes on constrained sites at social rent levels.
- 2.5 The Working Group was presented with a range of innovative accommodation models including micro homes, modular housing solutions and Garden Pods.

Micro Homes and Modular Accommodation

The Working Group heard that modern methods of construction, including off-site manufactured units could provide a number of potential benefits. These included lower construction costs, improved energy efficiency, reduced running costs for occupants and opportunities to develop sites that may otherwise be considered unviable through conventional housing models.

Members were advised that micro homes generally fell into two categories:

- Small units – that do not meet the nationally described space standards and are therefore more suitable for temporary or transitional accommodation.
- Large units – satisfy minimum space standards for permanent occupation but achieve space efficiency through innovative design features such as mezzanine floors and integrated storage solutions.

Potential benefits included more predictable construction costs, lower maintenance and lifecycle costs, reduced capital investment and eligibility for Homes England grant funding.

Garden Pods

Members heard about work the Council is already doing to explore the role that Garden Pods could provide in delivering sustainable, quality accommodation, particularly for young people stepping down from, or transitioning out of care. Officers advised that such an approach could support greater independence for young people while maintaining their relationships with foster families, increase capacity in foster care and deliver future cost avoidance.

Members were advised that a typical garden pod would comprise approximately 21 square metres of accommodation, with indicative installation costs in the region of £60,000 per unit.

- 2.6 Members welcomed the existing exploration of alternative housing solutions and emphasised the importance of ensuring that any future accommodation promoted dignity, aspiration and independence. Members also highlighted the need to understand the longevity, lifecycle costs and long-term sustainability of any innovative housing product. Further information was requested on housing need, viability, funding opportunities and examples from other authorities.

3.0 Working Group Meeting – 16 June 2026

Bristol City Council's approach to delivering Alternative Accommodation

- 3.1 The Working Group received a presentation from Louise Davidson the Head of Housing and Delivery at Bristol City Council on the Council's approach to delivering innovative housing solutions. The presentation included case studies, lessons learned and examples of housing schemes developed on small and constrained sites.
- 3.2 Members heard that Bristol City Council had delivered a successful housing programme using regeneration and infill sites to provide affordable housing. The programme had delivered 790 homes across a mix of social rent and shared ownership tenures.
- 3.3 At the time of the presentation, 15 sites were under construction and a further six sites were in pre-commencement stages. The programme used a range of construction methods, including traditional brick and block, timber frame, steel frame and modular construction. While many schemes had been successful, others had presented challenges and valuable learning opportunities.
- 3.4 Members recognised that Bristol City Council operated within a significantly different housing context when compared to Telford and Wrekin due to the scale of its housing stock and housing delivery programme. It was also noted that Bristol City Council operated a Housing Revenue Account (HRA).
- 3.5 Members acknowledged that different funding and delivery models would need to be considered locally, whilst recognising that many of the lessons learned from Bristol's experience remained relevant to the review.

3.6 Case Studies

Members considered several examples of housing schemes delivered by Bristol City Council:

- **Kingsland Development** utilised panelised timber-frame construction. The scheme achieved positive viability outcomes, delivered sustainability benefits and received Homes England funding.
- **Five aggregated small sites** used a combination of timber and steel frame construction which were also funded by right to buy receipts and delivered positive net value outcomes.
- **Marshall Walk** provided "Z-Pod" accommodation above a car park. The scheme proved expensive and delivered less favourable outcomes than anticipated.
- **Bell Close** transformed former garage sites using insulated panel construction. The scheme was considered a positive example of innovation tailored to site constraints. Some design amendments were required to address fire safety regulations. It was noted that costs were high and the scheme alone has a negative net value.

3.7 Members heard that Bristol City Council had also explored funding opportunities through the Smart Cities Challenge programme. Whilst this supported innovation and climate objectives, it sometimes presented planning challenges where standardised housing designs were not suitable for individual sites.

3.8 Although Bristol's overall programme generated positive value, some individual schemes cost significantly more to deliver than their end value. A key lesson learned was the importance of selecting housing solutions that were appropriate to each site's characteristics rather than applying a standard model across all developments.

3.9 Lessons Learned

The Joint Working Group heard that clear project objectives from the outset, robust housing need, appraisal and viability studies were all key takeaways following their delivery of innovative housing solutions.

3.10 Members were advised that strong Project Teams including consultants, architects and MMC or modular providers had been important to successful delivery. It was added that public procurement arrangements and site aggregation helped towards improving viability. Standardised designs also supported future management and maintenance.

- 3.11 It was recognised that innovation carried risks, including the potential for abortive costs, and that strong project leadership was essential throughout delivery. Additionally, early and sustained dialogue with local planning authority colleagues supported in the delivery of a successful programme.
- 3.12 Members recognised that many of these lessons particularly those relating to viability, site selection, project leadership and partnership working would be important considerations in informing decision-making for any future housing programme within the borough.
- 3.13 Members noted that, unlike Bristol City Council, the Council did not have access to Right to Buy receipts and would therefore need to consider alternative funding options alongside its legal duties.
- 3.14 Following consideration of the evidence provided by Bristol City Council and information presented by officers from the Council's Housing Team, Members recognised the need for further work to identify potential development sites and to assess their viability to support the development of a business case.
- 3.15 Members also noted the value of reviewing examples from other authorities that had undertaken similar work, particularly those operating within comparable financial and governance arrangements.
- 3.16 It was further recognised that the Council would need to establish clear priorities for any future housing programme, including consideration of affordable one-bedroom accommodation, housing for younger people and opportunities to reduce reliance on temporary accommodation needs across the borough.
- 3.17 Members agreed that the next stage of the review should focus on potential development sites within the Borough and consider how the lessons identified through the Bristol case studies could be applied locally. Further work was therefore undertaken to explore possible delivery models, assess site constraints and consider viability.

4. Working Group Meeting – 10 September 2026

- 4.1 Members received an update on potential housing development opportunities within Telford and Wrekin. It was noted that next steps included exploring delivery opportunities on Telford & Wrekin owned sites using innovative designs shared by Bristol City Council.
- 4.2 Members considered several housing options for a council owned site with potential for development. The first option was the GAP housing model, which could provide eight one-bedroom units. While the homes met Nationally Described Space Standards (NDSS), concerns were raised about the density of development and its impact on the living environment.
- 4.3 Alternative designs were reviewed, including a traditional one-bedroom housing model that could deliver seven larger units at a lower cost and a further option providing 12 one-bedroom apartments. Members noted that the apartment model offered the highest number of homes and provided a comparatively cost-

effective solution whilst still providing larger accommodation than the GAP model.

- 4.4 Members discussed the potential risks of delivering only one-bedroom accommodation on a site and considered whether a mixed development, including larger properties, would create a more balanced and sustainable community. It was noted that a mix of one, two, three and four-bedroom homes could improve both viability and long-term management of developments.
- 4.5 Members considered that one-bedroom apartments represented a more suitable option than the GAP housing model for the site assessed and agreed that future sites should be evaluated on their individual merits to determine the most appropriate form of development.
- 4.6 With regard to garage sites it was noted that there were 384 garages across 48 sites in South Telford. The majority of these were owned by Housing Plus Group (HPG) with none in Council ownership and an increasing pepper potting of private ownership within blocks. A proposal was considered to explore the possibility of working with Housing Plus Group on a pilot scheme to assess the viability of delivering housing on garage sites. It was recognised that there were a number of key considerations included parking provision, ownership arrangements, housing standards, overall viability and whether the approach could be replicated elsewhere.
- 4.7 A discussion took place regarding the level of need for one-bedroom accommodation. It was confirmed that housing needs continued to be monitored on an ongoing basis and that one of the areas of unmet demand was among younger people requiring one-bedroom accommodation. Members noted that a wider range of housing schemes and options were available for older people, resulting in a less significant gap in provision for that cohort.
- 4.8 Members noted that that initial engagement had taken place with Housing Plus Group regarding the identification of garage sites. Whilst a mixed-development approach remained the preferred option by Members, some sites may be more suitable for one-bedroom accommodation and should therefore be assessed on their individual merits.
- 4.9 The Director: Finance, People & IDT reiterated the importance of financial viability as a key consideration. It was noted that interest rates remained high and borrowing costs remained significantly higher than what was provided within the budget. It was advised that expectations should be managed accordingly and cautioned that, while a proposed scheme may have merits, it would need to demonstrate clear financial sustainability.
- 4.10 Officers advised that any development on Council-owned land would require a detailed business case to assess the most appropriate delivery model and viability. It was also noted that links with the Pride in Place Programme would be an important consideration when assessing future investment opportunities.

- 4.11 Members were advised that further work would continue developing housing proposals for Council-owned sites based on considering best mix for each site and also to progress discussions with Housing Plus Group regarding a potential garage site pilot scheme.

5. Working Group Meeting – 22 September 2026

- 5.1 The Housing Strategy and Commissioning Programme Manager reported that HPG had provided a list of potential garage sites for further consideration, primarily within the Brookside and Sutton Hill ward areas.
- 5.2 It was explained that HPG had narrowed its initial search to sites where it held full ownership of the garage block and where blocks comprised four or more garages. It was also reported that HPG was asked to provide site plans to assist with understanding the size, layout and suitability of the identified locations. Due to the short timescales between each working group meeting, this information was still to be received and a full evaluation of the sites had not yet been completed.
- 5.3 Members noted the proposed criteria for assessing and shortlisting sites. Key considerations included the mitigation of lost parking provision, any issues relating to mixed ownership, the type of accommodation to be delivered, whether units would be micro homes or Nationally Described Space Standards (NDSS) compliant, the intended tenure or end use of the properties, costs and the viability and replicability of any proposed model.
- 5.4 Preference would be given where demolition of poor-quality garages could improve visual amenity and natural surveillance, where vacant possession could be secured quickly and cost-effectively by HPG and where the level of voids would minimise the impact on existing residents. Consideration would also be given to opportunities to provide replacement parking or alternative garage provision following redevelopment.
- 5.5 Members sought clarification regarding the ownership of the proposed garage development sites. Officers advised that while preference would be for TWC to retain ownership of any properties developed ownership arrangements would be subject to ongoing discussions with HPG along with the viability of individual sites.
- 5.6 Members considered the proposed recommendations arising from the review and discussed the next steps for reporting to the Business & Finance Scrutiny Committee, Communities Scrutiny Committee and Cabinet. Members were content that the recommendations reflected the evidence gathered throughout the review and supported their inclusion within the final report.

6. Recommendations

- 6.1 Having considered all the information that they were provided with, Members made the following recommendations:
- a) that the Council continue to develop site options for one-bedroom delivery on existing council owned sites as part of a wider portfolio of delivery, using best mix and design to maximise delivery and viability; and
 - b) that a pilot scheme be progressed with Housing Plus Group to consider viability of delivering a housing solution on a garage site(s) recognising the constraints and if innovation can support delivery.

7. Conclusions

- 7.1 Members welcomed the opportunity to consider innovative approaches to alternative accommodation and recognised the significant demand for affordable one-bedroom accommodation across the Borough.
- 7.2 The Working Group supported further exploration of opportunities on Council-owned sites and through partnership working to assess innovative approaches to future housing delivery.
- 7.3 The Working Group expressed its thanks to the Director: Housing, Commercial & Customer Services, Director: Finance, People & IDT, the Housing Strategy and Commissioning Programme Manager and external witnesses who contributed evidence throughout the review process. Thanks were also extended to the Head of Housing and Delivery for Bristol City Council, for sharing examples of innovative housing delivery and lessons learned from Bristol's housing programme.

8. Membership

Member	Role
Councillor Giles Luter	Chair
Councillor Erin Aston	Committee Member
Councillor Sarah Sydra	Committee Member
Councillor Rachael Tyrrell	Committee Member
Councillor Peter Scott	Committee Member

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