

FIR CLOSE, WILLAND
Provision of single bedroom Z POD

1. During August 2021, a Z POD demonstration unit was placed on the car park of the MDDC Leisure Centre at Cullompton to show Councillors and the public the type of building being proposed as a potential product for social housing within the Mid Devon District Council area and comments were requested.

2. At the end of the demonstration period the unit remained at this location and was a potential target for damage and/or anti-social behaviour. Officers brought this to the attention of Councillors together with a potential solution.

3. Z Pods allegedly made an offer for MDDC to purchase the unit at a reduced price. Officers approached the Lower Culm Ward District Councillors and the Chairman of Willand Parish Council to seek their views as to how a planning application would be viewed for this unit to be placed on a little used area of land at Fir Close, Willand. After local consultation, and with some minor conditions as to the external materials pallet and parking, officers received a positive response to go ahead with the proposal. **The site was subsequently started by the erection of boundary fencing.**

1. What was the cost of the fence and installation and who did the work?

4. Councillors were advised by officers that the purchase of the unit had been agreed between MDDC and Z Pods. **No written agreement or decision involving Councillors for this process has been made public to the best of knowledge at that period in time.**

2. Is there a written agreement and if so may I see a copy please?

5. Local District Councillors were subsequently advised by Officers that an agreement had been made with Z Pods for them to recover the unit and use it for demonstration purposes elsewhere. Councillors were further advised that the unit would be completely refurbished before being delivered and erected in Fir Close and there would be no extra cost over the agreed price. **No written agreement or decision involving Councillors for this process has been made public to the best of knowledge at that period of time.** No agreed purchase figure was revealed.

3. Is there a written agreement and if so may I see a copy please? Was a decision made openly and transparently by any Councillors to make this purchase and if so whom?

6. Subsequent enquiries have been made by various members of the public to ascertain some detail of the timeline, agreements, payments and other issues with regard to the transaction and some of the findings are detailed in the following paragraphs.

7. A public inspection of the MDDC Accounts for 2022/2023 required a request for particular information. Documents were produced, many redacted in sections, and they were all diagonally stamped "***Produced by Mid Devon District Council for Public Inspection request of 2022/23 Statement of Accounts.***"

8. A Tax invoice from Z Pods to MDDC dated **20 Feb 2023** was produced bearing Invoice Number ZP40001. The 'Reference' was redacted. In the body of the invoice the 'Description' was redacted. There was a further redaction under the 'Due Date'. Information readable showed that

it was for '1 unit' at a cost of £110,543.70 + 20% VAT at £22,108.74 – TOTAL £132,652.44. Due date was shown as **6 Mar 2023**. There is an invoice for £132,652.44 but there is no reference as to location of where it was for and no description of what it was for. In handwriting in the top right hand corner of the invoice are the words 'Fir Close'.

9. The question at this point arises as to why these redactions had been made as certainly there was no apparent 'personal' information involved and it would be difficult to substantiate an argument that it was Commercially Sensitive at the time produced?

Response:

The redactions on the invoice copy provided removed references to which development the cost related to. Under the Public Inspection of the Accounts regulations the key information being considered is the financial elements, not narrative elements. **There was no hand written note on the redacted version provided.** The redaction under Due Date were Zed Pods Bank Account Details so were appropriately redacted.

4. There is a handwritten note on the top of the redacted invoice as there is on other invoices for other sites obtained at the same 'inspection'. The handwriting appears identical on all documents. The recipient of the invoices did not write on them. Would you care to review this response please?

10. Further research reveals that on **15 March 2023** a payment was made to Z Pods Ltd of £132,652.4(sic). This was for 'Capital Assets HRA, Housing Scheme 1-4-1 Project 41. The detail at the end of the line reads 'BY61058 – Service – 60% fee for unit and planning, Fir Close, Willand.'

11. The following questions arise:

I. What is the full cost to be paid for the unit?

Response:

- a. Total Cost to be paid for the Module including design but excluding disbursements: £184,239.50

5. Does this figure include VAT?

6. Why are MDDC paying for 'Design' when the unit is already built and being used as a demonstration unit across a number of sites?

- b. Total cost for the modules excluding design: £146,989.50*
*This cost does not include the ground works costs and statutory services costs

7. What is the known price or budget for groundworks?

8. Is a local contractor contracted to do the ground works. If so who ?

9. Is a local contractor contracted to construct the foundations, If so who ?

10. Is a local contractor contracted to do the module installation. If so who?

- c. Total Paid to date: £110,543.70 (excluding VAT) – 60%

II. What is the cost of the planning application work?

Response:

£54,385 for design works and disbursements. Breakdown is:

- a. Design element: £37,250.00
- b. Disbursements: £11,884.50 (excluding warranty and building control)
- c. OHP on disbursements: £1782.68

This is not clear and needs clarification in plain language to be understood by a layman please. The question was the cost of the planning application work.

- 11. Please expand on 'Design Element' and consider question 6 above?
- 12. Please explain detail of 'Disbursements'
- 13. What will be the extra cost for 'warranty'?
- 14. What will be the 'Building Control' cost?
- 15. What does 'OHP on disbursements' mean please?

Additional surveys due to services diversions:

- i. South West Water - new water supply £688.00 and Buildover Agreement Fee £518 Inc. VAT
- ii. National Grid - new Supply & Cable Diversion £7642.97 (Excluding VAT)
- iii. Openreach Developer Contribution - £2000.00

16. Some figures exclude VAT and others make no mention of VAT. Can the figures be given in a clear and consistent manner please - all the way through?

III. Is the 60% for the cost of the unit with the full amount being paid of the planning work, or what?

Response:

See breakdown above.

IV. Why is this information available in the list of payments yet redacted on the invoice presented to the public?

Response:

The information provided under the monthly payment listing applies different regulations, namely the transparency code, where this data is considered relevant.

17. This being the case why has this particular detail been omitted from the October figures?

12. Planning application documents were submitted by Z Pods to MDDC and placed on the Planning Portal dated **26 April 2023**. One of the papers submitted was a Utilities Search report by Groundwise Searches Ltd to Z Pods issued on **23 December 2022**.

13. A Decision Notice, giving approval with conditions, was granted by MDDC on **13 July 2023**.

14. An entry appears on the Planning Portal dated **8 January 2024** which discharges four of the conditions requiring approval before commencement.

15. The area had been fenced for over a year but no other works have been seen on the site and so on **11 September 2024** the Chairman of Willand Parish Council sent the following email to the three Ward Councillors of Lower Culm.

“Planning approval was given for a new house in Fir Close a considerable time ago. Subsequently the area was fenced off and nothing has been seen or heard since. The Parish Council was supportive of this project. Can you please find out what is happening and advise?”

16. On **13 September 2024** Ward Councillor A Glover responded as follows:

“Officers are unable to give you an exact date at this time as we are waiting for an update from the Utility company around the relocation of a low voltage cable that runs through the site. They have been waiting nearly 12 months for them to carry out the works but nothing seems to be moving very fast.

I do know that they have consulted the affected residents where they need to access their gardens but they also haven’t been notified of a commencement date.

Officers had a project meeting yesterday where this case was discussed and we will also be chasing them for a date next week.”

Now a month later nothing further has been heard.

17. The utilities report referred to paragraph 12 above – on page 8 – shows a map/plan which clearly identifies the location of the cable in question. This information has been known to Z Pods, since **23 December 2022**.

18. This raises the questions, in the absence of any documentary evidence:

A. Who is responsible for this delay?

Response:

There are multiple factors responsible for the delay. The delays were mainly due to the site complexities and existing services provision. After commencing design works and following up with site surveys, a number of existing service positions caused issues with the foundations and module positions. This included errors in maps provided by the utility companies identified following the surveys and covered both the electric and the foul water provisions. There were also issues with the surface water capacity which had to follow a procedure to get to a position where the surface water design could be progressed. National Grid did not respond to queries for several months, also additional survey works were requested by South West Water to proceed with the technical approval for the diversion. Following on from the on-site meetings, further discussions and design were required. This has been ongoing.

Errors in utility mapping/placement, capacity issues and delays by utility companies are the main reason for extended delays on our construction projects. We are bound by statutory provisions and cannot simply undertake corrective works ourselves without agreements in place and other works are completed by the utility companies themselves. We furthermore have no leverage with the companies to meet their own targets and receive no compensation for cost-delays.

Zed Pods have been following up with the ongoing diversion and utilities issues and resolving as they go, responding promptly to utility company requirements even if these standards are not always reciprocated.

We appreciate the frustration with the time it is taking to progress this scheme. Zed Pods are adapting their approach on future schemes so that the planning works takes in underground services investigations at an even earlier point in an attempt to mitigate these utility issues in the future but they remain not fully within our control.

18. This appears to be rather 'opaque speak' as a utilities report was available in December 2022 as evidenced in the planning application papers. Does this evidence a lack of due diligence on the selection of the site in the first place?

19. If Z Pods are the agent/contractor for MDDC what extra cost has been incurred to MDDC?

20. What are MDDC paying Z Pods as the result of the delay?

B. Who has been chasing up the Utility Company as there can be no reason for such a delay?

Response:

See above.

C. What are the true reasons for the delay?

Response:

See above.

D. What is being done, and by whom to expedite the matter?

Response:

See above.

19. Considering the date line contained in this document for the provision of a Z Pod in Fir Close, Willand, together with the information contained in paragraphs 8 and 10 above further questions come to the fore:

a) What is the actual agreed price between Z Pods and MDDC for the demonstration unit intended for Fir Close, Willand?

Response:

See above

21. Above at 1b shows price of unit as £146,989.50 – Can this be confirmed in clear and unequivocal terms please?

b) Is there a written agreement for the transaction, who approved it and when?

Response:

All transactions form part of the Capital Programme approved by members which included Fir Close. This is further managed by a contract specific to the project and individual subsequent invoice transactions are approved by the relevant service manager within the Financial Regulation boundaries.

22. Can the 'contract, specific to the Fir Close site be produced please?

c) Will such documentation be made available for public inspection?

Response:

Public inspection for the 23/24 accounts is now closed. Any relevant transactions that relate to 24/25 will be available for public inspection in the future as normal (Summer 2025)

23. The contract will not be available under this provision and most relevant detail will be redacted or omitted if current practice is followed. Please see 22 above and if it cannot be made available by this means is it intended that more work and time delay will result in the need for FOI application?

d) What is the agreed fee to be paid to Z Pods for obtaining the Planning Application?

Response:

See above

24. The answers given are not clear and so can this be answered in a clear and unequivocal manner please?

e) Is there to be a further additional charge for the groundworks and the erection of the unit? If so what are the figures please?

Response:

See above

25. These figures are not clearly given in the response. Can I have an answer please?

f) Why has an advanced payment been made some 19 months ago for a product which is not yet provided?

Response:

This was the commencement date of the project. Delays with regard to utility issues are set out above.

26. The Section 151 Officer is on record as saying that payments are not made in advance. A 60% payment was made in March 2023 - What is different here?

g) Where is the unit at this time?

Response:

It is held by Zed Pods.

27. Where? At the factory or as a demonstration unit elsewhere [location]?

28. Is MDDC paying for module storage cost ?

29. How are module transport costs accounted for ?

h) What is the TOTAL cost of the project to be when completed?

Response:

See above

30. This question is not answered above as a lot of figures are given for different items and some have VAT and some have no mention of VAT. What is the TOTAL cost of the project to be when completed?

31. Are the VAT payments recoverable ?

Barry GJ Warren

14 October 2024

17 November 2024