

# Council Housing Development Programme update cabinet report

January 2024

## APPENDIX 2

### Projects update

#### Section 1: Schemes on site (directly delivered) (AHP 16-23)

<b>Overview of schemes on site (directly delivered) (AHP 16-23)</b>		
<b>Project</b>	<b>Total number of homes (of which are GAHs)</b>	<b>Update</b>
Southall Market car park	125 (101)	Developer Mackenzie Homes has requested additional capital above the agreed contract sum to complete this development. Officers from Ealing Council are currently conducting due diligence regarding the request; the findings of this process will be included in a forthcoming Cabinet report. In the meantime, work on site has stopped until a decision has been reached, which is expected early in 2024.
Package 1 (Dean Gardens car park, Chesterton and Evesham Close, Shackleton Road, Norwood Road, and Woodend Library)	107 (73)	<p>The main report provides a fuller update on the status of the Package 1 housing development sites, particularly regarding the situation and progress following the contractor Henry Construction Projects Limited (HCPL) going into administration.</p> <p>A further cabinet report is expected in March 2024 to make recommendations as to how these projects should be taken forward.</p>

<b>Overview of schemes on site (directly delivered) (AHP 16-23)</b>		
<b>Project</b>	<b>Total number of homes (of which are GAHs)</b>	<b>Update</b>
Lexden Road	188 (71)	<p>The project experienced some delays when a major Openreach duct was identified beneath the footprint of the proposed new high-rise building. Openreach provided an initial diversion quotation which proposed a significant cost for further investigation and an anticipated diversion. As a result of the duct location, the project has delayed by some six months, whilst legal investigations around rights over the land and obligations to relocate infrastructure were investigated. The project team have engaged continuously with Openreach since, to negotiate an agreement to building over the existing duct to avoid diversion. A build over agreement is now expected to be formally executed no later than quarter 1, 2024.</p> <p>The delay incurred prevented development commencing in August 2023 and has attracted a loss and expense claim being received from McLaren. The financial implications of this claim are being reviewed, with negotiation between parties taking place. It is expected that the loss and expense claim will be financed through the available scheme contingency, however if the contingency is significantly impacted and the remaining contingency is not seen to be adequate for the programme, a further update will be provided to cabinet.</p>
Northolt Grange	92 (84)	The demolition phase of this development is complete, and piling is due to start in February 2024. The project is on track to complete in March 2026.
Sussex Crescent	26 (26)	This scheme is progressing well. Brickwork has commenced, currently up to first floor level. Scheme on programme to complete in November 2023.
Golf Links phase 3	143 (104) plus 3 commercial spaces	Portrush has now been demolished. Alnmouth is currently being demolished with completion of the demolition phase programmed for 3 <sup>rd</sup> week of December 2023. Due to the discussions regarding access over Thames Water land has entailed a delay to the programme. The revised practical completion date has moved from April 2026 to July 2026.

## Section 2: Estate Regeneration

<b>Overview of estate regeneration projects</b>	
<b>Project</b>	<b>Update</b>
Copley Close	<p>A seven-phase scheme, being delivered directly by the council in accordance with a masterplan approved in 2012. Six-hundred-and-eighty existing homes will either be comprehensively refurbished or redeveloped and replaced to create new homes. Extensive improvement to the public realm, a new housing hub, offices for council 24-7 services, a convenience store and new community centre have also been provided.</p> <p>To date, phase 1 (21 x refurbished flats and 5 x new build houses), phase 2 (34 x new build flats), phase 4 (31 x flats and houses) and phase 6 (201 x houses and flats) have all been completed.</p> <p>Phase 3 (refurbishment of 19 existing flats and 3 x new) will reach practical completion early in 2024. The completion of this phase will enable flats used for decanting purposes to be re-used to house decants from phase 5. Phase 5 is a refurbishment of 100 existing homes in six blocks, and it is envisaged work will commence Summer 2024.</p> <p>Phase 7 (refurbishment of 333 existing flats and construction of six new homes) is unlikely to be affordable within the current budget. This is because experience from earlier phases of refurbishment has shown this to be extremely challenging, and the recently imposed 18-tonne weight restriction on the box tunnel along which the highway runs at this point will require careful consideration. An options appraisal process is currently underway.</p>
Dean Gardens (Sherwood Close)	<p>The redevelopment of the Dean Gardens (sometimes known as Sherwood Close) Estate by Clarion Housing Association via a principal development agreement (PDA) with the Council is being undertaken in 3 phases with the demolition of 209 existing properties and construction of 362 new properties in a mixed-tenure development including 147 social rent, 6 shared ownership and 209 market sale homes.</p> <p>Phase 1 completed in 2019 with the construction of 71 units for social rent.</p> <p>Phase 2 completed May 23 and comprises of 106 new homes. 40 for social rent, 60 shared ownership and 6 shared equity for leaseholder replacement.</p> <p>A full phase 3 planning application for the construction of 185 properties was determined in November 23. This will represent an increase of 43 properties over the 142 for which they had outline consent.</p> <p>The Phase 3 site is now empty and is being prepared for handover to Clarion for demolition of properties to commence in Spring 24.</p>
High Lane	<p>Replacement of 264 flats in LPS blocks with 503 new build homes, with genuinely affordable homes being replaced on a habitable room basis. A masterplan has been approved, detailed design work completed and vacant possession of blocks forming phase 1 will be achieved early next year. To be delivered in three phases of development over seven years.</p>

<b>Overview of estate regeneration projects</b>	
<b>Project</b>	<b>Update</b>
	<p>Unfortunately, the JV partner's constructor for the scheme, REAL Contracting, went into receivership in October. Rydon, REAL's parent company, has yet to respond meaningfully to legal approaches regarding the scheme. Recent reappraisal of scheme finances has demonstrated, however, that it is still a viable scheme. Several companies have expressed an interest in taking on the scheme and, at this stage, it would appear the most likely course of action will be to recommend re-tendering the scheme as a JV once existing contractual obligations have been extinguished. A 12 to 15-month delay in scheme commencement is anticipated at this stage.</p>
Green Man Lane	<p>Estate redevelopment by A2 Dominion (A2D) in partnership with REAL Contracting via a development agreement with the Council. The redevelopment is being carried out in 4 phases with the demolition of 472 existing properties and construction of 706 (revised total 849) new properties in a mixed-tenure development including social rent, shared ownership and market sale homes.</p> <p>During the construction of Phase 2, Education colleagues were interested in developing the school to the east of the estate. A wing of Tintern Court was demolished along with the Community Centre. This area together with part of the existing St Johns Primary School playground was used to build the new enlarged school which opened in October 2017, with the developer being transferred former school land to develop homes of sale.</p> <p>Phase 1 - 3 have completed bringing forward 364 new homes, community space and new energy centre. Phase 4 of the scheme is empty, and a CPO is being promoted to gain possession of the remaining leasehold and freehold interests (mainly Dean Hall a standalone building used by the Dean Hall Christian Church Organisation). This is expected to go to a Public Inquiry.</p> <p>The Green Man Lane LLP is the Council's counterparty in the PDA - this is a Joint Venture between REAL (Ealing) Ltd and housing association A2D. In September, Real (LSE) made an application for administration. This is a subsidiary contracting arm in the Real Group and is not the Council's counterparty, though they are delivering some construction. Under the terms of the PDA should either counterparty to the PDA fail or withdraw, the obligation is on the remaining party to source a partner or take on the remaining elements of the project themselves. Officers continue to work with partners, particularly A2D to understand the impact, if any, and remedies should the administration progress to affect the JV partnership itself.</p>
South Acton	<p>A partnership known as Acton Gardens LLP comprising Countryside Partnerships and L&amp;Q housing trust. Redevelopment of 1,860 existing homes in 52 blocks to create a brand-new residential quarter of circa 3,500 homes in four new neighbourhoods, each centred around a new or substantial improved open space.</p>

<b>Overview of estate regeneration projects</b>	
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	<p>The scheme has now delivered 2,098 homes and almost 1,000 of these are affordable, the bulk being genuinely affordable rented homes with priority for existing tenants.</p> <p>AG LLP have advised the next five phases of development, to include 628 new homes, can proceed with the assistance of the release of funding held in the overage account. This is in line with the terms of the agreed as part of the PDA. At the point of land transfer, the council will receive reimbursement of land assembly costs associated with these phases.</p>
Havelock Estate	<p>The redevelopment of the Havelock estate by Catalyst (now Peabody) is via a PDA with the Council. The scheme is to be carried out in 4 phases, each phase containing sub phases A and B and comprises of the demolition of 692 existing properties, and construction of 922 new homes in a mix of 367 social rent /affordable rent, 121 shared equity and 434 market sale homes.</p> <p>Phases 1a and 1b of the project completed in 2020 bringing forward 287 new properties (1,2,3 and 4 bed properties) in a mix of sale, social rent, and shared equity. Under the terms of the PDA the Council were paid its land assembly costs for both phases and it became apparent that the scheme, in its current form, was subjected to several viability challenges. These challenges included increases in construction costs and leaseholder buyback costs, and sales not achieving anticipated values.</p> <p>The PDA makes provision for the council to consider options to improve scheme viability should this become an issue. Officers have been working with partners on several options such as increased density, increasing the scheme redline and engaging a joint venture partner.</p> <p>During the viability work Catalyst merged with Peabody and the new entity, known as Peabody Housing Trust, have confirmed their Board's support for further work to be undertaken to develop a viable solution for phase 2a, which is their favoured option to proceed, without relying on increased financial support from the Council. It is anticipated that Peabody would be able to report on progress, early in spring 24.</p> <p>Officers are also working on further options for the estate should viable scheme remain difficult to achieve. A stock condition survey has been commissioned to understand the costs involved in considering a do nothing, fully refurbishment or part refurbishment approach.</p> <p>Phase 2a of the scheme is currently vacant and the properties have been demolished. The cleared site is being considered as an option to accommodate part of the council's modular construction targets to support of temporary accommodation and reduce bed and breakfast usage</p>

### Section 3: Pipeline projects

<b>Overview of pipeline projects</b>		
<b>Project</b>	<b>Total number of homes (of which are GAHs)</b>	<b>Update</b>
Gurnell Leisure Centre housing	200 (70)	Opportunity for at least 200 new homes as enabling development for new leisure centre. Overall project is being led by the Major Project Teams with the housing overseen by New Business. Potential to start on site by April 2026 and include within the AHP 21-26.
Trinity Way estate	200 (70)	HRA estate with opportunity for 200-300 new homes depending on retrofit or replacement of existing homes. Leaseholder buybacks and decanting costs affecting viability. A JV partnership is a realistic option and will be explored further.
Heller House	70-180 (100)	Opportunity for circa 70 homes on a site currently occupied by Heller House, a Council-owned respite centre which closed in 2016 and is currently used as temporary housing. The site is adjacent to the Grand Union Canal.  Marriage value in adjacent plots to improve viability and increase number of homes to circa 180. Potentially suitable for delivery with a partner.
Golf Links estate	1,300 (650)	Major estate regeneration opportunity for up to 1,300 new homes. LBE is committed to doing a masterplan prior to phase 4 (or any other phase) coming forward. Phase 4 (280 homes) has AHP grant for 100% affordable scheme but considerable leaseholder buybacks and decanting costs (estimated £12m) affecting viability. Potentially suitable for a JV partnership.
Dormers Wells leisure centre housing	Unknown	Exploring the potential for new homes in the vicinity of the leisure centre as enabling development for leisure centre refurbishment.
Yeading Lane estate	Unknown	Opportunity for an exemplar estate regeneration and climate action project, including retrofitting, modifying, and enlarging homes; infill and rooftop development; extensive environmental improvements; and an estate retrofit Design Code for homeowners.  The site largely consists of the Yeading Lane housing estate, also known as Radcliffe Way Estate.
Copley phase 7	Unknown	Phase 7 currently assumed to be refurbishment of 333 existing flats and construction of six new homes. An options appraisal is currently underway.

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Bulk purchase programme	Unknown	Programme stands the greatest chance of identifying projects which can start before April 2026 for inclusion in the AHP 21-26. Individual projects are not listed due to commercial sensitivities, but number of homes across nine opportunities currently being explored range from 33 to 588.