

Item

## **Update Report on work toward a Cambridge City rooftop development pilot scheme**

**To:**

**Councillor Gerri Bird, Executive Councillor for Housing**

**Report by:** Jaques van der Vyver, Head of Housing Development Agency

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**Wards affected:**

Coleridge, Cherry Hinton

### **Key Decision**

#### **1. Executive Summary**

- 1.1. Upward (rooftop) development of housing above existing flatted blocks has been under consideration since late 2020 and has the potential to combine the provision of additional homes on HRA-held land with significant improvements to existing housing stock.
- 1.2. Work to date had culminated in a report to this committee in September 2021(21/48/HSC), delegating authority for selection of a pilot scheme and approving a selected delivery route subject to further investigation. This further investigation has now progressed to selection of OJEU compliant procurement as the best avenue for delivery of a small pilot scheme, managing long term risk to the council.

- 1.3. This report sets out the rationale for the selection of 243 - 313 Odds Lichfield Road, 1-12 Bracondale, 1-18 Fernwood, and 1-18 Heatherfield as priority sites for in-depth feasibility investigation, ensuring that refurbishment improves the living conditions of sheltered tenants while at the same time mitigating risk associated with high numbers of leasehold properties on other estates.
- 1.4. Approval is sought for a budget to support feasibility work, with this budget allocation to be formalised in the forthcoming November 2023 Mid Term Financial Strategy.
- 1.5. Should feasibility work recommend a deliverable regeneration scheme, a report outlining such scheme will be brought to a future meeting of this committee.

## **2. Recommendations**

- 2.1. The Executive Councillor is recommended to:
- 2.2. Note the selection of the sheltered housing schemes at Lichfield Road (243 - 313 Odds) and Walpole Road ( 1-12 Bracondale, 1-18 Fernwood, 1-18 Heatherfield) as approved candidates for pilot scheme consideration.
- 2.3. Approve the bringing forward of pilot feasibility studies through a specialist and OJEU compliant Procurement Framework.
- 2.4. Approve that a revenue budget of £190,000 be identified to support feasibility work, with this budget bid subject to approval in the forthcoming November 2023 Mid Term Financial Strategy.

## **3. Background**

- 3.1. Upward (rooftop) development of housing above existing flatted blocks has been under consideration since late 2020 and has the potential to combine the provision of additional homes on HRA-held land with significant improvements to existing housing stock.
- 3.2. Best use of limited available land, reduction of disruption to residents relocating for redevelopment, and retaining existing built fabric (reduced carbon generation) are all key advantages of this approach, while

further benefits can be achieved through a particular focus on areas of sustainability and level access improvements.

3.3. Work to date has included:

- High Level capacity studies for two separate estates.
- Shortlisting of candidate estates with a high likelihood of deliverability in liaison with specialist consultants who have delivered projects to date across the UK.
- 2021/22 work toward identifying a preferential delivery route – this is of utmost importance to ensure a successful scheme be delivered, as while offering significant avenues for regeneration, rooftop development schemes pose a number of specific risks associated with resident engagement, the intrusive nature of refurbishment activities and complexities related to changing existing service installations.

3.4. This prior work led to approvals in September 2021(21/48/HSC) as below:

“Modular rooftop development – Part 7

*2.9 Note the work done to date toward investigating the potential for modular rooftop and infill development across the Council’s holdings as outlined in Part 7.*

*2.10 Approve the inclusion of airspace developments in the programme of new housing development for which finance has already been made available.*

*2.11 Approve the outline approach of proceeding with a Joint Venture partnership as the preferred method for implementation of modular rooftop (airspace) development, subject to further investigation and a further report.*

*2.12 Authorise the Head of the Housing Development Agency to approve a site for a pilot project subject to consultation with the Executive Councillor for Housing, the Head of Housing, the Head of Finance and the Ward Members.”*

3.5. As noted a Joint Venture approach seeking an experienced specialist partner was considered, subject to further investigation. Officers have proceeded with further work in this regard and given learning to date have excluded this avenue moving forward, informed by:

- The high level of administration this route entails.
- A risk management approach, aiming to develop a first pilot scheme of a limited size to allow proof of feasibility. A joint venture approach, given the delivery numbers required to sustain such an approach,

would increase potential risk and overexposure for the council should a pipeline of delivery not proceed.

- Current broader national financial uncertainty has increased potential risk of overextending joint venture working arrangements and a small proof of concept approach has taken priority as the preferred route.

3.6. There has been significant movement in the sector which is now facilitating procuring an experienced delivery team, and it is now felt that this delivery mechanism is ready to again be brought forward. Risk Management is key, and an approach is now identified which will allow the council to:

- Prove feasibility through delivery of a first pilot scheme of 15-20 homes.
- Design such a scheme on the basis of an existing building archetype which is prominent across the city, allowing the design input work undertaken to be incorporated into a larger ongoing programme should a pilot scheme be successfully delivered, with long term cost mitigation opportunities and lessons learned.

3.7. Additionally, in recent years the council has increased the focus on enhancing our existing housing stock, recognising the increasing gap in standards between efficient new homes being delivered and ageing existing housing stock. A number of pilot schemes are underway investigating retrofit/ refurbishment of existing housing to varying performance levels, primary among these being an ambitious net zero project being undertaken on Ross Street, Cambridge.

3.8. Collaborative working between Council's maintenance and development teams to deliver both objectives of new homes and improvements in existing housing standards is an ongoing process, and the proposal included herewith is an outcome of this approach: The HDA have been working together with colleagues in Estates and Facilities to best coordinate a pilot scheme which can tie-in to options for asset management, refurbishment and energy efficiency works.

3.9. Current rooftop/airspace development is part of a movement toward Modern Methods of Construction (MMC). The construction sector is facing significant supply-chain constraints; MMC is an important part of the response to this. Our existing programme is using circa 30% MMC and the Solohaus/It takes a City modular homes for the homeless are another MMC element in the programme. The move to greater adoption of MMC is encouraged by Homes England which has set a 25% MMC

delivery requirement for Strategic Partners, which we aim to meet at a minimum to allow greater funding eligibility.

#### 4. Objectives

This proposal aims to address the below Key Corporate Objectives of the Council:

##### 4.1. **Priority 1** – Leading Cambridge’s response to the climate change and biodiversity emergencies:

The Councils vision for a net zero Cambridge by 2030 is reliant on:

- reducing carbon emissions from council buildings, land, vehicles and services to net zero by 2030,
- Reduce energy consumption and carbon emissions from homes and buildings in Cambridge.
- provides for enough housing to meet our needs, and
- plans for the right infrastructure in the right places at the right times to serve our growing communities.

##### 4.2. **Priority 2** - Tackling poverty and inequality and helping people in the greatest need:

- By directly address the high cost of housing, improving housing conditions and reducing homelessness.

##### 4.3. **Priority 3** - Building a new generation of council and affordable homes and reducing homelessness:

There is a recognised need for more council housing across the city. As of March 2023, there were 2,429 households on the housing needs register.

The investigative work being recommended, should it lead to a deliverable pilot scheme, will directly address the Council’s strategic objectives under this theme, as set out in the Greater Cambridge Housing Strategy, ie:

- Increasing the delivery of homes, and in particular affordable housing, including Council homes, to meet housing need
- Diversifying the housing market and accelerating housing delivery

- Achieving a high standard of design and quality of new homes and communities
- Improving housing conditions and making best use of existing homes
- Preventing and Tackling Homelessness and Rough Sleeping
- Working with key partners to innovate and maximise available resources.

4.4. **Priority 4** - Modernising the council to lead a greener city that is fair for all:

- continuously improvement of the services we provide so that they best meet the needs of those who use them.
- review of our assets to ensure they are delivering optimum value to the Council and wider community, increasing social capital.

## 5. Candidate sites for pilot project

5.1. A number of factors affect whether an estate has potential for rooftop development, including:

- Good existing structural conditions.
- Flat or low-pitched roofs preferred.
- External stairwells favoured /space for lift installation serving multiple units.
- Broader build type preferable to long/thin construction footprint.
- Opportunities for improvements to the existing homes and estates.

5.2. Shortlisted candidate sites considered to date and discussed with internal stakeholders through the Estate Improvement Scheme and Housing Programme Board have included the sheltered housing schemes at Bracondale, Fernwood, Heatherfield and Lichfield Road. These have now been agreed internally as favoured candidates, with there being some key benefits of both estates:

5.2.1 Lichfield road flats - ability to address the ongoing sulphur attack on the buildings which has a rolling annual works budget allocation, the heating and energy works as noted.

5.2.2 Bracondale, Fernwood and Heatherfield – Roofing works are needed as well as painting, and this expenditure could be reduced if delayed and coordinated with full rooftop redevelopment. Roofing works are overdue, but currently there isn't an urgent requirement to undertake the works, and as such, we can move to delay this while we confirm a pilot scheme and further programme.

5.2.3 The homes being considered are fully council tenanted (further flat Blocks at Lichfield Road have a limited number of leaseholds but these are not currently being considered). The main stumbling block for rooftop development is leaseholder buy-in and targeting a fully council tenanted pilot site would significantly reduce risk. This further improves deliverability long term, if a proven concept can be promoted to leaseholders should this methodology be adopted more broadly in Cambridge.

5.2.4 The Council has recently purchased an additional sheltered housing block in Queen Ediths Ward – This provides some possible catchment for required decanting and will be refurbished by late 2023.

5.2.5 These sheltered schemes are dated in comparison to other offerings across the city and fringe areas. Improvements to energy efficiency and specifically level access/lift installation would benefit overall lettings favourability and significantly improve quality of life for tenants.

5.2.6 Safety concerns have been raised at these estates with associated requests for improving access arrangements/secure access provision to the flat blocks.

5.3. The Key addresses for each are below as currently being considered, and plans showing are boundaries appended:

Lichfield Road, Coleridge:

- 243 - 313 Odds Lichfield Road

Walpole Road, Cherry Hinton:

- 1-12 Bracondale
- 1-18 Fernwood
- 1-18 Heatherfield

- 5.4. These blocks as listed above are designated sheltered housing. Given the structure and issues known, full decanting may be required. While any decanting, specifically on such sheltered housing schemes, is a complicated procedure, it is hoped that a phased approach will limit the impact for existing tenants. This would preferable, however would be subject to size and timing of the redevelopment works and a best-case scenario aiming to limit on-site disruption to affected and surrounding residents.
- 5.5. In line with the Council's regeneration policies, full compensation and a right to return for tenants would be enacted. Improvement works contemplated will also be significantly beneficial in the long term and it is felt that the potential benefits significantly favour this proposed approach, specifically in terms of the quality-of-life improvements which can be offered to the tenants of these sheltered blocks.
- 5.6. 243-313 odds Lichfield Rd, Bracondale, Fernwood and Heatherfield have been indicated as suitable by consultants to date, but more work is needed to review design options and to ensure viability.

## 6. Planned works

- 6.1. The Draft 5-year maintenance programme identified works as below which covered both estates:

Possible Airspace	Energy Works	Heating	Roofing	Masonry Painting
Lichfield Road	required	required	NA	NA
Bracondale – Walpole Road	NA	NA	required	required
Fernwood – Walpole Road	NA	required	required	required
Heatherfield – Walpole Road	NA	NA	required	required

- 6.2. Key to this proposal is delaying the works at these blocks so that they can be integrated into joint rooftop and refurbishment works; We don't want to progress with plans which may undo recently completed or to be undertaken works and lead to cost duplication. Maintenance and development teams are coordinating to ensure that this is the case.
- 6.3. Maintenance colleagues have confirmed that from the planned works point of view, the proposals will not adversely affect their plans or previous works undertaken:



- 6.3.1. The windows at Lichfield have recently been replaced, along with replacing the slabbed communal walkways, with tarmac, this project is about 50% complete.
- 6.3.2. There are ongoing condensation issues at Lichfield Road in the communal stairwells. The condensation is building up on the underside of the upper floor ceilings, dripping onto the flooring below. Various means of prevention have been trialled, but to date none have been successful. The problem occurs after a cold spell, when warmer, damp, air enters the stairwells. As airspace development would directly affect the communal accesses, this is likely to address the issue at the same time.
- 6.3.3. A number of the doors onto the communal areas have had their fire doors upgraded. This is a necessity for H&S purposes and does not limit further refurbishment works.

## **7. Programme**

- 7.1. We are progressing toward a firm agreement on the sites listed above as shortlisted candidates for further investigation. Maintenance and development teams are in accord and member briefings have been held to affirm the selection of these estates as areas which hold opportunity for improvements.
- 7.2. Currently we are targeting high level studies and surveys across winter 2023/24, with a report in early/mid 2024 proposing a deliverable pilot scheme.

## **8. Financial Implications**

- 8.1. This report recommends for approval a revenue budget of £190,000, to support feasibility work, with this budget bid to be formalised in the forthcoming November 2023 Mid Term Financial Statement. This budget is sought to cover costs associated with feasibility assessment works, early stage design, detailed surveys and associated legal and investigatory services.
- 8.2. These fees would be abortive should a firm scheme not be confirmed and will be accounted for as such across the councils allowance for such works as detailed within HRA budgetary processes.

**8.3.** A primary focus of this study is sustainability uplift/energy efficiency, tied into the separate workstreams being undertaken by Maintenance and Assets looking at efficient retrofit of existing properties. Achieving improved levels of energy efficiency requires significant investment, and there is a challenge facing the Housing Revenue Account as to how to finance this required level of expenditure. The proposed development model offering mixed tenure regeneration as outlined may feasibly offer a return which might offset a portion of this expenditure.

## **9. Implications**

### **(a) Staffing Implications**

The delivery of this scheme will be jointly coordinated by existing Housing Development, Maintenance and Housing Services officers. Specialist service providers will be procured as required to undertake feasibility works.

### **(b) Equality and Poverty Implications**

Work contemplated under this proposal will seek to identify all opportunities and constraints related to any regeneration scheme which will be brought to Committee as an outcome. As part of this procedure a full scheme specific EQIA will be completed.

### **(c) Environmental Implications**

Proposed outcomes aim to directly address energy efficiency improvements to existing properties, while delivering new homes in line with the Councils 2021 Sustainable Housing Design Guide.

A Carbon Rating Assessment will as part of this process be completed to inform the design of any regeneration scheme which may be brought forward as an outcome.

### **(d) Procurement Implications**

Appointments for work to be undertaken through this investigatory process will be conducted through use of OJEU Compliant Procedures. Successful delivery of these complex regeneration projects is highly reliant on joint working with an experienced delivery team. An OJEU Compliant Rooftop Development Framework has been identified which

will facilitate selection of a specialist team with experience based on evidenced successful delivery to date of both Rooftop development and energy efficiency refurbishment.

## **(e) Community Safety Implications**

Proposed outcomes aim to directly address improvements to existing Housing stock, which fall short of current safety standards. Regeneration proposals will be in line with Secure by Design Guidance to achieve a noticeable improvement on any scheme which may be brought forth as an outcome.

## **10. Consultation and communication considerations**

- 10.1. Briefings with Ward Councillors of Coleridge and Cherry Hinton have been held ahead of this report being brought to Committee.
- 10.2. Residents will be engaged via letter drop and holding of drop-in sessions where Officers will be available to outline the pilot study and address any concerns or inputs which they may have. Formal reporting on this engagement will be incorporated to any formal scheme report which may progress to this Committee.
- 10.3. Housing Strategy and Housing Officers have been consulted in regard to sheltered housing need, current tenancy data for these estates, and inputs to potential improvements to the estates which would positively influence tenancy uptake and tenant quality of life.
- 10.4. Should a pilot proceed a communications strategy for ongoing resident engagement would be drafted.

## **11. Risks**

11.1. Below is a table setting out key risks associated with the project:

<i>Risk</i>	<i>Likelihood</i>	<i>Severity</i>	<i>Mitigation</i>
<i>Cost duplication should planned works proceed independently.</i>	<i>High if not coordinated. Low given current coordination</i>	<i>High – impact on HRA finances</i>	<i>Internal agreement and coordination of retrofit and development works</i>
<i>Scheme viability</i>	<i>Medium - - No perfect site is identified, and studies are needed to detail</i>	<i>Low – cost of preliminary studies would be marginal, and would provide certainty for ongoing consideration</i>	<i>Early consultation already undertaken to shortlist candidate sites with external specialist inputs</i>

<i>Risk</i>	<i>Likelihood</i>	<i>Severity</i>	<i>Mitigation</i>
	<i>the viability of this mode of development</i>		
<i>Decant – inability to get vacant possession for works</i>	<i>High - Some level of full decant may be required. Sheltered housing holds considerable risk for this type of redevelopment</i>	<i>Low – These properties require significant planned works as well as having potentially significant opportunities for quality of life improvement</i>	<i>Early engagement with Housing management and tenants. Right to return and Compensation in line with existing policies  Earmarking of catchment sites for potential decant need</i>
<i>Costs – exceeding budget for investigatory works</i>	<i>Low – Significant cost certainty together with limited budget requirement</i>	<i>Medium – impact on HRA finances</i>	<i>Clear programme of works set out with consultant specialist inputs to inform budget setting</i>

## 12. Background papers

21/48/HSC: Report on progress toward HRA Estate Regeneration programme  
Including a report on a proposed scheme at Aylesborough Close

## 13. Appendices

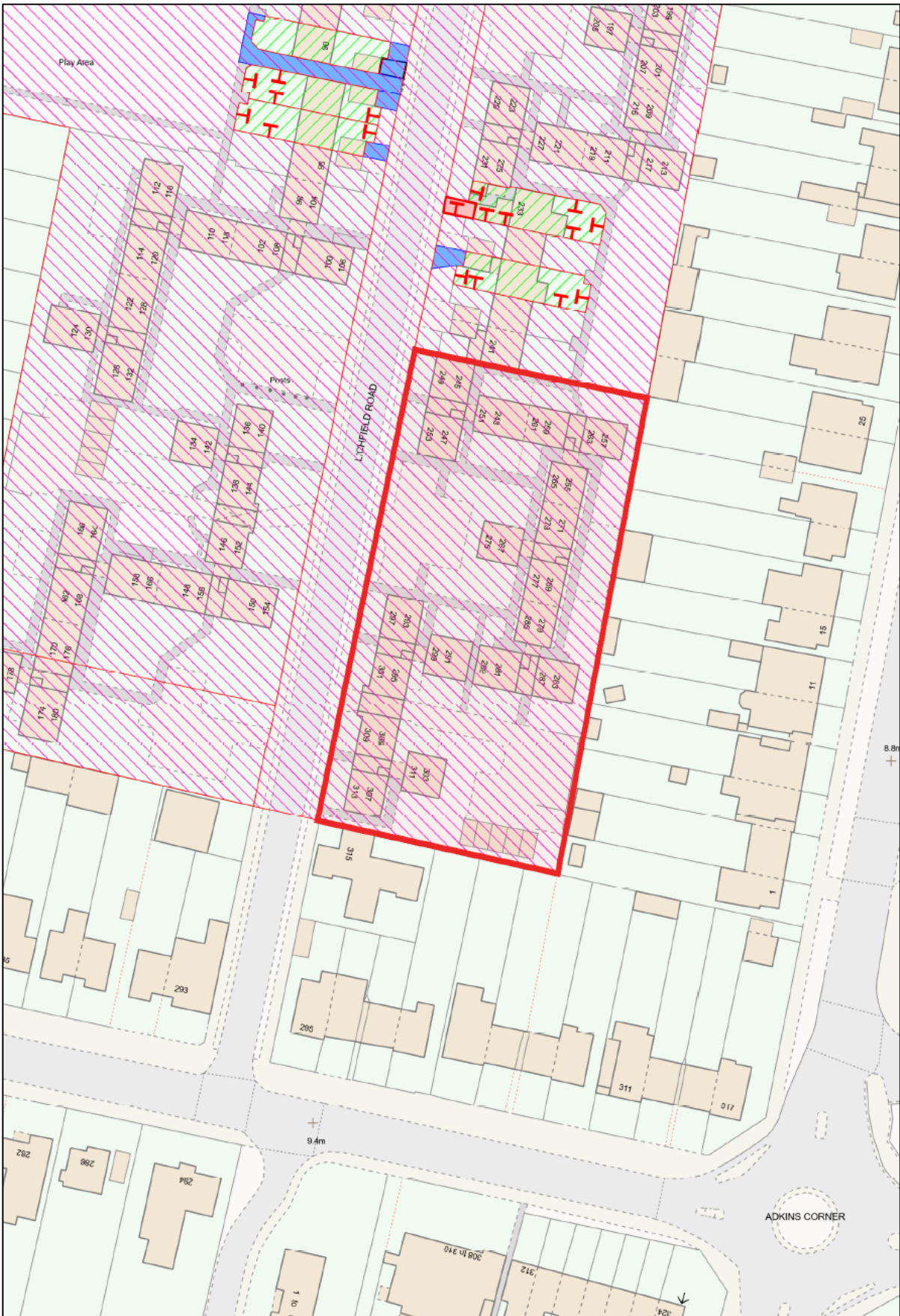
Appendix 1 – Location Plan – Lichfield Road

Appendix 2 – Location Plan – Bracondale, Fernwood and Heatherfield

## 14. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, Housing Development Agency, tel: +44 1223 457218, email: [Jaques.vandervyver@cambridge.gov.uk](mailto:Jaques.vandervyver@cambridge.gov.uk)

Appendix 1 – Location Plan – Lichfield Road



Appendix 2 – Location Plan – Bracondale, Fernwood and Heatherfield



